

## Table of Contents

<i>Fast Facts</i> .....	2
<i>Budget Summary</i> .....	13
BUDGET OVERVIEW .....	13
<i>Surplus Funds and FY 98/99 Revenues</i> .....	13
<i>Budget Format and FY 98/99 Expenditures</i> .....	15
<i>State Debt and Debt Service</i> .....	16
<i>Budget Growth</i> .....	17
CAPITAL OUTLAY .....	18
LEGISLATION OF FISCAL INTEREST.....	20
<i>First Extraordinary Session of 1998</i> .....	20
<i>Regular Session of 1998</i> .....	21
<i>Legislation with Revenue Impact</i> .....	23
K-12 EDUCATION .....	25
HIGHER EDUCATION .....	30
VOCATIONAL-TECHNICAL EDUCATION.....	34
HEALTH AND SOCIAL SERVICES .....	36
<i>Medicaid</i> .....	36
<i>Developmental Disabilities</i> .....	38
<i>Jefferson Parish Human Services Authority</i> .....	39
<i>Capital Area Human Services District</i> .....	39
<i>Villa Feliciana Medical Complex</i> .....	40
<i>Office of Public Health</i> .....	40
<i>Office of Mental Health</i> .....	41
<i>Office of Alcohol and Drug Abuse</i> .....	41
<i>Welfare Reform</i> .....	42
<i>Other Social Services</i> .....	43
<i>Charity Hospitals</i> .....	44
TRANSPORTATION .....	45
MILITARY AND VETERANS AFFAIRS .....	46
PUBLIC SAFETY AND CORRECTIONS .....	47
ECONOMIC DEVELOPMENT .....	50
TOURISM AND CULTURAL DEVELOPMENT .....	52
AGRICULTURE AND FORESTRY .....	55
OTHER GENERAL GOVERNMENT.....	56
<i>Executive Office</i> .....	56
<i>Division of Administration</i> .....	56
<i>Office of Lifelong Learning</i> .....	57
<i>Louisiana Commission on Law Enforcement</i> .....	57
<i>Office of Elderly Affairs</i> .....	58
<i>Election Expense</i> .....	58
<i>Lieutenant Governor</i> .....	58
<i>Natural Resources</i> .....	59
<i>Environmental Quality</i> .....	59
<i>Labor</i> .....	60
<i>Wildlife and Fisheries</i> .....	61
<i>Constables and Justices of the Peace</i> .....	61
<i>House Fiscal Division Personnel</i> .....	62

---

## FAST FACTS ON 1998 BUDGET ACTIONS

---

### BUDGET OVERVIEW

Major challenges in developing the FY 98/99 budget included replacement of one-time sources used to meet state match requirements in the Medicaid Program, additional costs for state prisoners in state correctional facilities and local jails, and funding of education initiatives including pay raises for teachers and other educational personnel.

#### Surplus Funds

- FY 96/97 surplus of \$135 million could only be used to retire debt.
- FY 97/98 excess available funds totaled \$165.6 million, due both to increased revenue and reductions in spending requirements.
- \$147.8 million, including the \$135 million FY 96/97 surplus plus \$12.8 million of FY 97/98 funds, was used to finance a three-year debt defeasance plan. Savings from the defeasance plan in FY 98/99 are \$55.1 million, with total savings over the three-year period totaling \$155.7 million.
- Remaining FY 97/98 excess funds were used to fund \$61.5 million in cash capital outlay, \$83.5 million for education and other initiatives and \$8.5 million in other supplemental requirements.

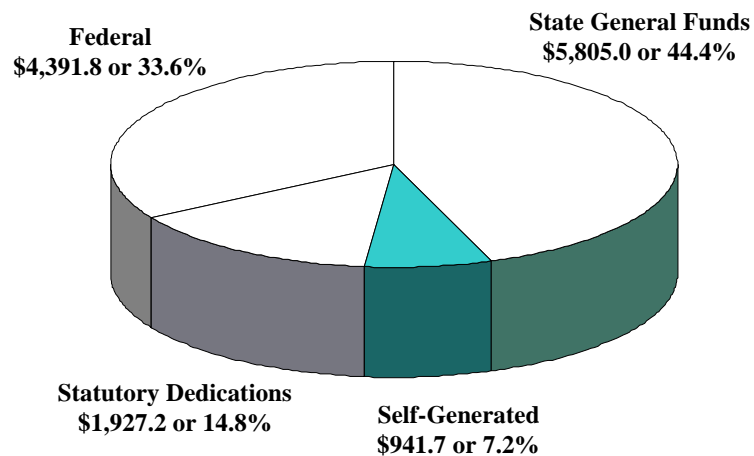
#### FY 98/99 Budget

- The 3¢ sales tax on food and utilities (revenues of \$342 million) was renewed for two years.
- The official forecast of revenue available for FY 98/99 is \$5.9 billion, including \$5.8 billion in State General Fund and \$99.5 million in lottery proceeds.
- The budget was developed using a five-year projection of expenditures and revenues to assess the future fiscal impact of budget decisions and to account for the impact of various bills which affected revenues. Major revenue impacts include various sales tax exemptions and exclusions and premium tax credits.
- To further implement performance-based budgeting, the appropriation bill incorporates program descriptions, program objectives and performance indicators for each objective which will be monitored quarterly to enhance accountability in state spending.

- The total state budget for FY 98/99 is \$13.1 billion from the following means of financing:

### Means of Financing = \$13,065.7

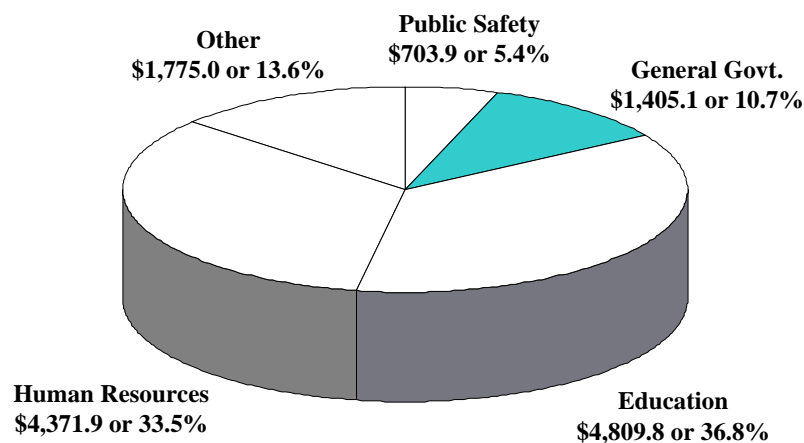
(In Millions of \$)



- Total appropriations of \$13.1 billion from all means of financing for FY 98/99 are distributed among major functional areas of state government as follows:

### Total Appropriations From All MOF

(In Millions of \$)



## Budget Growth

- Total state spending from all Means of Financing decreased slightly from \$13.2 billion in FY 97/98 to \$13.1 billion in FY 98/99. Expenditures from the State General Fund and lottery proceeds were unchanged at \$5.9 billion for both years.
- However, if capital outlay and other one-time expenditures are excluded, State General Fund and lottery proceeds expenditures for continuing operating budget costs have increased by \$335 million, or 5.9% from FY 97/98 to FY 98/99. This growth includes increased funding for state Medicaid match, costs of the Children's Health Insurance Program, additional corrections services costs, MFP growth, and education initiatives including teacher pay raises, full funding of TOPS scholarships, and vo-tech and higher education enhancements.

## State Debt

- New debt sales have been limited to \$200 million or less per year since FY 93/94. Total outstanding debt of \$6.48 billion in 1993 has been reduced to \$3.46 billion.
- Annual debt service decreased from \$720 million in FY 93/94 to \$284 million in FY 98/99. It is now only 4.2% of state tax, license and fee revenue, compared to 13.1% in FY 93/94.

## Capital Outlay

The total capital outlay program for FY 98/99 is \$2,195.6 million. 32% is allocated to DOTD projects for highways, ports, airports, and flood control, 27% to other state projects, 18% for higher education institutions, and 23% for nonstate projects, financed as follows:

\$	17.3 million	State General Fund
	429.3 million	Federal Funds
	223.3 million	Transportation Trust Fund and TIMED Cash
	98.4 million	Other Statutory Dedications, Self-Generated Revenues, Reappropriated Cash and IAT
	259.0 million	Revenue Bonds
\$	<b><u>1,027.3 million</u></b>	<b><u>Total Cash</u></b>
	455.0 million	Priorities 1 and 2
	170.9 million	Priorities 3 and 4
	520.0 million	Priority 5
\$	<b><u>1,145.9 million</u></b>	<b><u>Total Bonds</u></b>
	16.0 million	NRP/RBP (previously sold proceeds and prepayment of reimbursement contracts)
\$	<b><u>2,189.2 million</u></b>	<b><u>Grand Total</u></b>

\$61.5 million in State General Fund was provided in the FY 97/98 supplemental capital outlay bill (HB 299) including \$15 million for highway overlay, \$24.75 million for higher education deferred maintenance, \$5 million for the Capitol Complex, and \$6.3 million for state buildings repair and reroofing.

## K-12 EDUCATION

### New Funding for K-12 Education and Scholarships

The Minimum Foundation Program is funded at \$2.2 billion for FY 98/99, a \$103 million increase. This includes implementation of a teacher and school-based administrator pay raise and the continued phase-in toward full implementation of the formula in FY 99/00.

<b>\$72.9 million</b>	MFP Teacher and School-Based Administrator Pay Raise (minimum of \$800; maximum of \$1,500)
<b>\$36.6 million</b>	MFP Unrestricted Funds
<b>\$14.0 million</b>	Support Personnel One-time Pay Supplement (\$300 full-time; \$150 part-time)
<b>\$25.0 million</b>	Classroom-based Technology Funds
<b>\$ 4.3 million</b>	Increased Federal Funds for Classroom Technology
<b>\$20.0 million</b>	K-3 Reading and Math Initiative Funds
<b>\$12.1 million</b>	Teacher Supplies Fund
<b>\$19.9 million</b>	TOPS - Tuition Opportunity Program for Students (total of \$37 million for full-funding of scholarships)
<b>\$ 7.5 million</b>	Educational Accountability Initiatives
<b>\$ 3.4 million</b>	8(g) funding for Preschool Education Enhancements
<b>\$ 2.7 million</b>	State-approved Type 2 Charter Schools
<b>\$ 2.0 million</b>	Alternative Schools Start-up/One-Time Funding Pilot
<b>\$ 1.5 million</b>	Non-Public Educational Assistance
<b>\$ 600,000</b>	Non-MFP Teacher and School-Based Administrator Pay Raise

## HIGHER EDUCATION

<b>\$24.8 million</b>	Deferred maintenance to include life-safety repairs and renovations.
<b>\$15.0 million</b>	Library and scientific equipment enhancements
<b>\$14.6 million</b>	Funding enhancement for public higher education institutions
<b>\$ 7.5 million</b>	Additional State General Fund provided to the LSU Medical Center to replenish fund reserves and provide a funding enhancement
<b>\$ 3.1 million</b>	Additional funding for the Baton Rouge, South Louisiana, and River Parishes community colleges
<b>\$ 1.2 million</b>	Additional pool funding to the Board of Regents for costs associated with community colleges and learning centers
<b>\$2.75 million</b>	Distance learning initiatives
<b>\$ 1.0 million</b>	Improving university based teaching/training programs
<b>\$ 500,000</b>	Establishment of Louisiana Community and Technical College Board
<b>\$ 540,000</b>	Additional funding for the Louisiana Library Network
<b>\$ 100,000</b>	Additional funding for the LSU Medical Center Occupational Toxicology Outreach Program for the continuing health investigation of the citizens of Grand Bois

## VOCATIONAL-TECHNICAL EDUCATION

Additional instructors and other enhancements requested by individual schools were not funded pending creation of the new Community and Technical College Board.

<b>\$ 3.4 million</b>	Means of financing substitution of State General Fund for 8(g) funds
<b>\$ 4.0 million</b>	Equipment purchases for vocational-technical colleges
<b>\$ 3.6 million</b>	Funding for the newly adopted professional development salary schedule to begin January 1, 1999
<b>\$10.0 million</b>	Capital outlay funding for repairs and construction at technical colleges (\$3 million in State General Fund)

## HEALTH AND SOCIAL SERVICES

### Medicaid

The Medicaid Program is funded at \$3.336 billion, an increase of \$55 million from the FY 97/98 level, which includes CHIP and other enhancements

**\$34.4 million**      SGF to replace one-time funds in Medicaid Program

**\$24.4 million**      Children's Health Insurance Program (CHIP) (includes \$6.5 SGF)

**\$ 9.5 million**      Increases in fees paid to physicians, the first in more than five years (includes \$2.9 million SGF)

### Care Options for Disabled and Elderly

**\$10.3 million**      700 additional Medicaid MR/DD Waiver slots (\$ 3.0 million SGF) for home and community-based services, case management and program monitoring

**\$ 1.8 million**      539 additional Cash Subsidy families and other family support service expansions for those with developmental or mental health disabilities

**\$ 1.3 million**      Additional 200 Medicaid Elderly/Disabled Waiver Slots (\$400,000 SGF)

**\$ 1.3 million**      Additional 200 Medicaid Adult Day Health Care Waiver Slots (\$400,000 SGF)

### Developmental Disabilities

**\$ 8.8 million**      Funding to address Department of Justice concerns at Pinecrest and Hammond Developmental Centers

**\$ 1.5 million**      Additional funding for the Adult Habilitation Program

### Welfare Reform and Related Programs

**\$21.0 million**      Increases FINDWORK Program participation from 25% to 35%

**\$ 1.7 million**      Consolidation of collections system for Child Support

**\$ 500,000**      Funding to evaluate the progress of welfare reform measures

**\$25.6 million**      Welfare-to-Work Program (Department of Labor)

<b>HEALTH AND SOCIAL SERVICES (Continued)</b>
---

**Other**

\$	<b>700,000</b>	Expansion of Sickle Cell Anemia Services
\$	<b>600,000</b>	Expansion of School-Based Health Centers
\$	<b>400,000</b>	Facilitate referral of children to community-based mental health services
\$	<b>12.0 million</b>	SGF to replace Interagency Transfers for Feliciana Forensic Facility (\$12 million in SGF was replaced by IAT in Medicaid)
\$	<b>750,000</b>	Expansion of Drug Court Program
\$	<b>750,000</b>	Increased drug abuse services to adolescents and maintenance of treatment services in New Orleans area
\$	<b>1.8 million</b>	Adds 42 additional therapeutic foster care beds
\$	<b>500,000</b>	Expansion of the FINS (Families In Need of Services) program.
\$	<b>400,000</b>	Additional funding for services for the blind

**Charity Hospitals**

\$	<b>2.2 million</b>	Pay raise of 5.91% for house officers in charity hospitals
\$	<b>6.7 million</b>	Increased personnel and supply costs at charity hospitals



## TRANSPORTATION

The adopted budget for DOTD reflects departmental reorganization at no increase in cost.

- \$ 3.0 million** Additional supplies and routine maintenance contracts in highway districts (TTF)
- \$ 2.0 million** Salary upgrades for maintenance and trades workers beginning January 1, 1999 (TTF)
- \$ 2.2 million** Litter/vegetation and “road runner” crews for improved safety and appearance of state highways (TTF)
- \$ 100 million** Expected increase in Federal Highway Funds
- \$ 135 million** Overlay Program (\$15 million in SGF)
- \$ 875,000** Rural Transit Vehicle purchases (Federal and Self-Gen. Revenues)
- \$ 200,000** General Aviation Airport Maintenance
- \$ 2.0 million** Port Priority Program funding, which with effective cash management, will allow \$24.5 million in project starts

Flood control projects will be continued without new appropriations through cash management and existing funding balances

## MILITARY AFFAIRS AND VETERANS SERVICES

- \$ 3.7 million** Operation and maintenance of the Hansen's Disease Control Center Carville Complex which was transferred from the federal government
- \$ 3.8 million** Expansion of Youth Challenge Program at the Carville Complex
- \$24.9 million** Capital Outlay funding of Military Department projects including armory maintenance and firing ranges (\$2.2 million in SGF)
- \$22.0 million** Capital Outlay funding for construction of two new War Veterans' homes (\$18.6 in Federal Funds)

## **PUBLIC SAFETY AND CORRECTIONS**

### **Corrections**

<b>\$ 3.7 million</b>	Year 2 of the Wide Area Networking Project (information system upgrade)
<b>\$ 5.3 million</b>	Salary adjustments for correctional personnel, including master sergeants, correctional officers, and teachers
<b>\$ 4.7 million</b>	Prison bed expansion of 521 beds
<b>\$ 3.8 million</b>	Funds opening of 276 juvenile beds at LaSalle Juvenile Facility
<b>\$22.2 million</b>	Increased number of inmates under Sheriffs' Housing of State Inmates
<b>\$ 4.7 million</b>	Increase of \$1 in per diem paid for Sheriff's Housing of State Inmates
<b>\$ 400,000</b>	Project Return to assist convicted felons
<b>\$78.4 million</b>	Capital Outlay funding for construction and renovations at correctional facilities statewide (\$36.5 in Federal Funds)

### **Public Safety**

<b>\$ 2.0 million</b>	Salary increases for State Police (effective January 1, 1999)
<b>\$ 2.0 million</b>	Mobile Data Terminals for State Police
<b>\$ 3.5 million</b>	Funds from casino contractor for background checks and suitability studies relative to the land-based casino in New Orleans
<b>\$52.4 million</b>	Capital Outlay funding for Public Safety Administrative Complex and Training/Anti-Terrorist Facility (\$50 million in Revenue Bonds)

## **ECONOMIC DEVELOPMENT**

<b>\$17.0 million</b>	Various local economic development projects or efforts
<b>\$13.3 million</b>	Various local economic development projects authorized in the Capital Outlay Bill through DED
<b>\$ 6.8 million</b>	Economic Development Award Program (EDAP), of which all but \$825,000 has been allocated to specific local economic development projects
<b>\$ 6.5 million</b>	Workforce Development and Training Program
<b>\$11.9 million</b>	Capital accessibility program administered by the Louisiana Economic Development Corporation (LEDC)

## **TOURISM & CULTURAL DEVELOPMENT**

<b>\$ 2.0 million</b>	Louisiana Library Connection computer networking enhancements
<b>\$ 1.5 million</b>	State aid to public libraries
<b>\$ 1.4 million</b>	Activities associated with FrancoFete tricentennial celebration
<b>\$ 2.7 million</b>	State parks enhancements
<b>\$ 300,000</b>	Grants to small museums
<b>\$ 2.6 million</b>	Increased funding for out-of-state tourism advertising
<b>\$70.0 million</b>	Capital outlay funding for improvements at state parks, commemorative areas and tourism-related projects

## **AGRICULTURE AND FORESTRY**

<b>\$ 8.0 million</b>	Funding for the Boll Weevil Eradication Program
<b>\$ 300,000</b>	Study of infrastructure needs of sugar cane industry
<b>\$ 3.4 million</b>	Forest Productivity Program to increase timber production

## GENERAL GOVERNMENT

<b>\$ 1.0 million</b>	Office of Rural Development for off-system bridges
<b>\$ 3.0 million</b>	Partial payment of past due legal fees in asbestos-related lawsuits
<b>\$ 5.0 million</b>	Year 2000 compliance computer costs for state agencies
<b>\$ 117 million</b>	Capital Outlay funding for repairs, roofing, and improvements to state office buildings (\$14.3 million in SGF)
<b>\$ 1.0 million</b>	For Workforce Commission redesign of workforce training and education system
<b>\$ 4.1 million</b>	Federal Juvenile Accountability Incentive Block Grant for services to address juvenile crime
<b>\$ 640,000</b>	Additional funding of \$10,000 for each Parish Council on Aging
<b>\$ 262,000</b>	Additional funding of Long Term Care Ombudsman Program
<b>\$ 7.7 million</b>	Increase for printing and other expenses for the statewide congressional elections for Fall of 1998
<b>\$ 679,000</b>	Oilfield Exploration and Production Waste Project in Natural Resources
<b>\$18.8 million</b>	Capital Outlay funding of Bonne Carre Freshwater Diversion Project (Priorities 2, 3 and 5)
<b>\$ 5.6 million</b>	Capital Outlay funding of Wildlife and Fisheries projects statewide
<b>\$ 7.2 million</b>	Increase (state match) for Municipal Facilities Revolving Loan Program
<b>\$ 240,000</b>	Increase Constables and Justices of the Peace supplemental pay from \$50 to \$75 per month

---

## BUDGET SUMMARY

---

### BUDGET OVERVIEW

After exceptional growth in 1996, the state's economy in 1997 continued to improve, although at a more moderate growth rate. This more moderate growth influenced state revenues in both FY 97/98 and FY 98/99. Prior year surpluses were also smaller than in the previous year. However, the legislature found available revenues were adequate for the major fiscal challenges this session, which included: replacement of non-recurring revenue used to finance Medicaid, the Children's Health Insurance Program, increasing corrections costs, and education enhancements, including teacher pay increases and expansion of the TOPS scholarship program.

#### **Surplus Funds and FY 97/98 Supplemental Revenues**

The State General Fund Surplus at the end of FY 96/97 was \$135.0 million. The Constitution restricts use of these funds to debt reduction. For FY 97/98, \$165.6 million was available for supplemental spending. Revised revenue estimates accounted for \$132.9, while reduced expenditure requirements freed \$32.7 million for supplemental uses. The combined surplus and supplemental funds totaled \$300 million, which were only about 43% of the supplemental funds that were available in the 1997 legislative session.

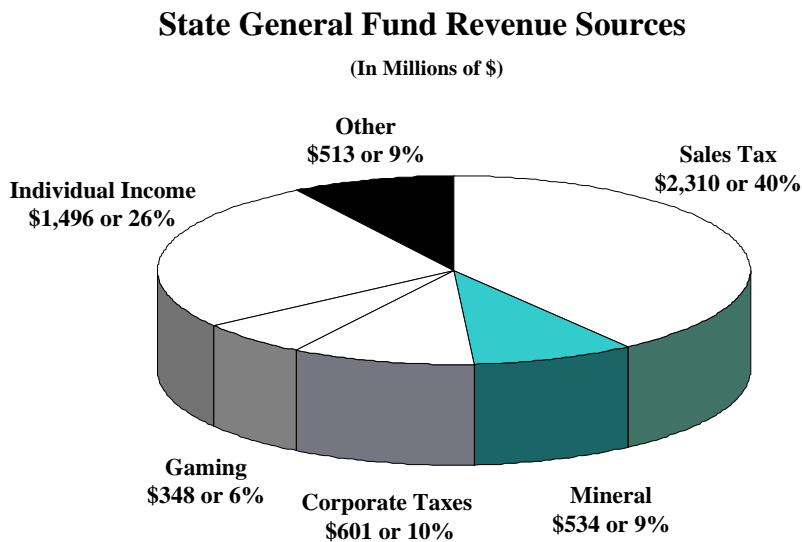
The FY 96/97 fund balance of \$135 million, augmented by \$12.8 million of available FY 97/98 funds was used to defease debt and reduce future debt service payments. Annual debt service savings are \$55.1 million in FY 98/99, \$71.6 million in FY 99/00, and \$29 million in FY 00/01, for a total savings of \$155.7 million over the period.

From the remaining FY 97/98 supplemental revenues of \$153 million, the Legislature appropriated \$61.5 million for cash capital outlay, \$83.5 million for education and other initiatives, and \$8.5 million for supplemental FY 98/99 spending needs. Of these amounts, \$60.1 million was transferred to special education funds for use in FY 98/99.

#### **FY 98/99 Revenues**

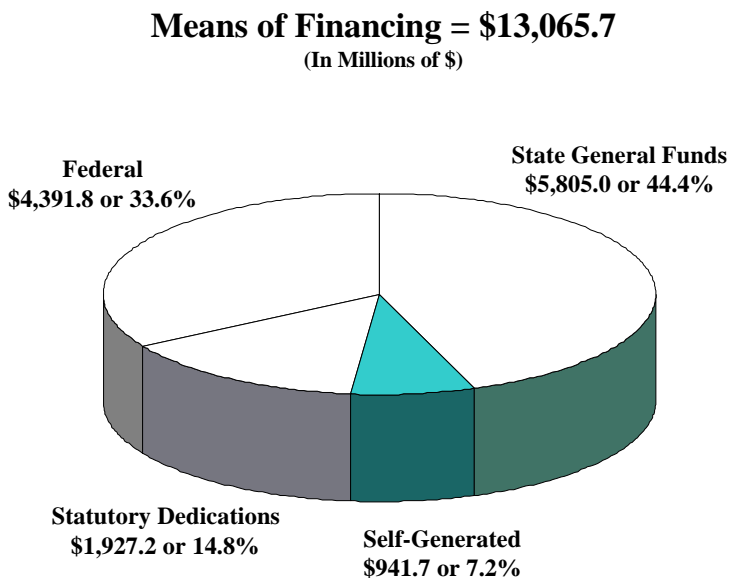
The principal tax issue for FY 98/99 was the renewal for two years of the 3 cent sales tax on food and utilities. With this accomplished, economists expect steady economic growth in FY 98/99 to push State General Fund revenue up by 2% or \$119.1 million over FY 97/98. The official FY 98/99 revenue estimate of general purpose revenues available is \$5.902 billion. This includes State General Fund revenues of \$5.8 billion and lottery proceeds of \$99.5 million which are appropriated to support the Minimum Foundation Program for elementary and secondary education.

Sales and use taxes continue as the largest source of State General Fund revenue. Individual income taxes are the second largest. Mineral income has declined to only about 9% of total State General Fund Revenue. The pie chart below reflects other significant revenue sources.



### FY 98/99 Means of Financing

The total state budget from all Means of Financing for FY 98/99 is \$13.1 billion of which \$5.8 billion is from the State General Fund, \$942 million is from Fees and Self-Generated Revenues, \$1.9 billion is from Statutory Dedications, and \$4.4 billion is from Federal Funds.



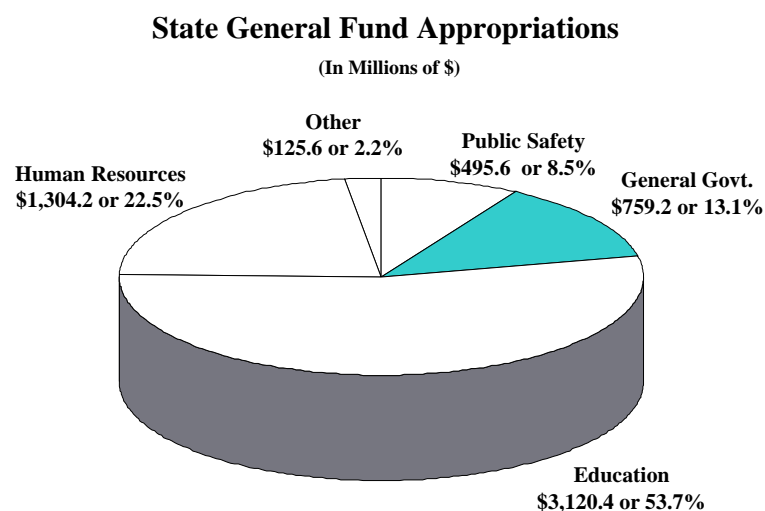
## FY 98/99 Budget Format Revisions

The Executive Budget for FY 98/99 incorporates changes adopted by the Legislature in 1997 to revise the format of the budget and to continue to implement performance-based budgeting. The Executive Budget is now a two volume document, rather than the previous seven volumes, providing budget information by department and program, including program objectives and performance information. More detailed backup information is provided in the Supporting Document, and both the Executive Budget and the Supporting Document are available on the Internet.

The appropriation bill for FY 98/99 contains for each state agency program descriptions, program objectives and performance indicators for each objective. Performance will be reported quarterly so that performance can be monitored throughout the year. The final phase of the transition to performance-based budgeting will take place in FY 99/00 when legal provisions for rewards and penalties based on performance become effective.

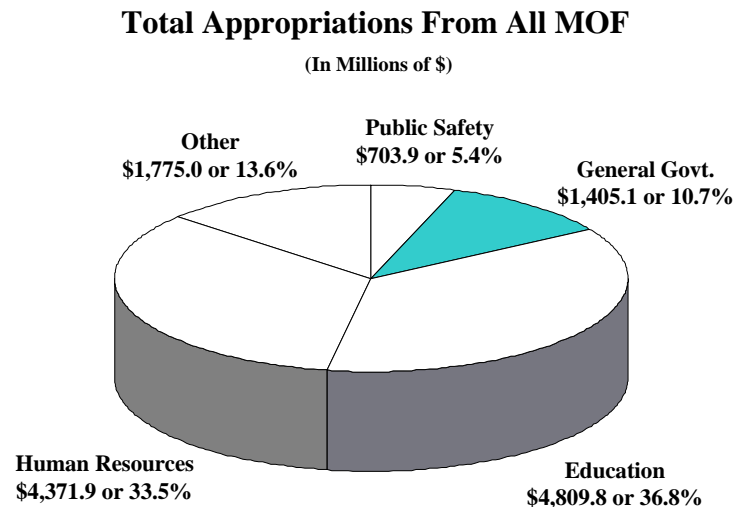
## FY 98/99 Expenditures

The following chart displays State General Fund appropriations of \$5.8 billion for FY 98/99 by major functional areas of state government spending.



Of the State General Fund appropriated for education, \$2.1 billion is for the Minimum Foundation Program (\$99.5 million more in MFP funding comes from the Lottery Proceeds Fund) and \$755.2 million is for Higher Education. Human Resources funding includes \$862 million in State General Fund as state match for the Medicaid Program which makes up a part of the total \$995 million match requirement.

This distribution of appropriations among areas of state government changes somewhat when total appropriations from all Means of Financing are included. This is in large part due to the inclusion of Medicaid and other Federal funding in Human Resources, Transportation Trust fund spending for Capital Outlay in the Other Category, and Self-Generated Revenue from student tuition and Federal funding in Education. Total appropriations of \$13.1 billion are distributed as follows:



## State Debt and Debt Service

Beginning with the Constitutional debt limit approved in 1993, the Legislature has placed a high priority on reducing outstanding debt and annual debt service. It has aggressively reduced debt service by several advance payoffs and by limiting new debt sales to \$200 million or less per year since 1993-94. Major debt issues paid in advance include the following: the unemployment debt of \$830 million (1993), the Louisiana Recovery District debt of \$254 million (1996) and more than \$800 million of General Obligation principal and interest since 1995.

Total outstanding debt has declined because of these Legislative actions. In January 1993, outstanding principal and interest on tax supported debt totaled \$6.48 billion. At the end of FY 97/98, outstanding principal and interest are only \$3.46 billion. This is a 47% reduction in only four and one-half years.

Annual debt service has also decreased sharply from a high of \$720 million in FY 93/94. Based on the current defeasance, it will be \$284 million in FY 98/99. It will fall to only \$250 million in FY 99/00, and then rises gradually. As a percentage of revenue, debt service is 4.2% in FY 98/99 and is estimated to be 3.6% in FY 99/00. It will increase in FY 00/01 and FY 01/02, but will stay below the 6% constitutional limit. By comparison, this ratio was 13.1% in 1993.



## Budget Growth

The table below breaks down State General Fund and lottery proceed spending into operating expenses, capital projects, and appropriations for prepayments and future use. In FY 97/98, these prepayments included \$147.8 million for advance payment of debt and \$75.4 million appropriated to special funds. These special funds will support FY 98/99 spending on education, economic development, and municipal sewer and water projects.

Comparative General Fund Spending (in \$ millions)					
	1996-97 Actual	1997-98 Budget As of 12/97	1997-98 Supplemental	1997-98 Total	1998-99 Total
Operating Expenditures <i>Annual Growth Rate</i>	\$5,101.24	\$5,586.04	\$15.77	\$5,601.81 9.81%	\$5,933.03 5.91%
Capital Outlay <i>Annual Growth Rate</i>	\$252.54	\$63.47	\$61.51	\$124.97 -50.51%	\$17.35 -86.12%
Prepayments and Future Use <i>Annual Growth Rate</i>	\$484.13	\$0.00	\$223.22	\$223.22 -53.89%	- -100.00%
Total <i>Annual Growth Rate</i>	\$5,837.91	\$5,649.50	\$300.51	\$5,950.01 1.92%	\$5,950.38 0.01%

Total state spending from all Means of Financing decreased slightly from \$13.2 billion in FY 97/98 to \$13.1 billion in FY 98/99.

Total State General Fund and lottery proceed spending does not change much between FY 97/98 and FY 98/99. This is due to less capital spending and prepayments in FY 98/99. These categories decline by 86.1% and 100%, respectively. In contrast, FY 98/99 operating expenses grow by \$335 million, or 5.9%, as compared with FY 97/98. This expenditure growth is accounted for in large part by increased funding for state Medicaid match costs associated with the Children's Health Insurance Program, additional corrections services costs, growth in the MFP, and education initiatives, which include the teacher pay raises, full funding of TOPS scholarships, and increases for vo-tech and higher education.

Operating expenditure growth for both FY 97/98 and FY 98/99 exceed projected growth in the state's economy as well as national inflation. For this two-year period, state income projections average 4.3% growth and inflation estimates average 2.2%.

---

## CAPITAL OUTLAY

---

As enrolled, HB 2, the capital outlay bill for FY 98/99 contained appropriations from all Means of Finance of \$2,195,585,559. The governor vetoed 20 items or provisions reducing State General Fund (Direct) by \$965,000, General Obligation Bonds Priority 2 by \$100,000, and Priority 5 by \$1,300,000, and General Obligation Bonds Not Requiring a Priority (NRP) by \$44,044,667. After considering these vetoes, the total capital outlay program for FY 98/99 is \$2,189,175,892. The bill also limits the total amount of general obligation bonds that may be issued to \$362,905,000.

The following table provides the itemization of the Act by all Means of Financing:

MEANS OF FINANCING	
General Fund	\$ 17,346,348
Federal Cash	\$ 73,618,390
Federal Cash – TTF	\$ 355,700,000
Transportation Trust Fund	\$ 156,055,000
TIMED Cash	\$ 67,285,000
Other Statutory Dedication	\$ 53,212,608
Self Generated Cash	\$ 30,417,220
Interagency Transfer	\$ 4,000,000
Reappropriated Cash	\$ 10,648,813
Revenue Bonds	\$ 259,025,000
<b>Total Cash and Revenue Bonds</b>	<b>\$ 1,027,308,379</b>
General Obligation Bonds	
Priority 1	\$ 330,625,000
Priority 2	\$ 124,408,500
Priority 3	\$ 134,561,000
Priority 4	\$ 36,365,000
Priority 5	\$ 519,960,000
<b>Total General Obligation Bonds</b>	<b>\$ 1,145,919,500</b>
NRP/RBP	\$ 15,948,013
<b>GRAND TOTAL</b>	<b>\$ 2,189,175,892</b>
NRP is the allocation of previously sold bond proceeds. RBP is the appropriation of prepayments of reimbursement contracts.	

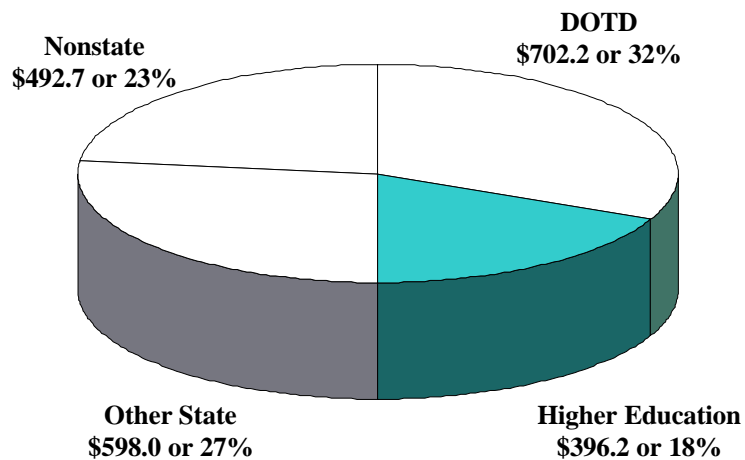
### Capital Outlay Appropriations by Expenditure Category

<b>DOTD</b>	<b>\$ 702,165,352</b>	<b>32%</b>
<b>Higher Education</b>	<b>\$ 396,226,168</b>	<b>18%</b>
<b>Other State</b>	<b>\$ 598,480,783</b>	<b>27%</b>
<b>Nonstate</b>	<b><u>\$ 492,735,589</u></b>	<b><u>23%</u></b>
	<b><u>\$2,189,175,892</u></b>	<b><u>100%</u></b>

*“Other State” includes the Division of Administration, State Parks and Museums, Public Safety and Corrections, DHH and LSU Medical Center Health Care Services Division hospitals, DNR, Vo-Tech, Legislative and Judiciary.*

*“Nonstate” includes ports, levee districts, parishes, municipalities and other nonstate entities.*

### Capital Outlay by Expenditure Area (In Millions of \$)



---

## LEGISLATION OF FISCAL INTEREST

---

### FIRST EXTRAORDINARY SESSION OF 1998

#### **Tax Amnesty**

Creates the Louisiana Tax Delinquency Amnesty Program for taxes collected by the Department of Revenue. Taxpayers can file an amnesty return between October 1, 1998 and December 31, 1998. If the taxpayer files such a return and pays the tax due, the Department will not collect one-half of the interest or any penalties.

The program is applicable to any tax period ending before July 1, 1997 and is available for individuals and small businesses. The program is not available to taxpayers who are party to any pending civil or criminal action by the department for non-payment, delinquency or fraud; who have been notified in writing of a failure to file a timely return or of the existence of a tax liability for the taxable period; or who are in an ongoing or unresolved review or examination (Act No. 135, SB 121).

#### **Public Safety Complex**

Increases the reinstatement fees for suspended, revoked or withdrawn licenses and for failure to maintain compulsory motor vehicle liability security insurance. Authorizes the Louisiana Public Facilities Authority to sell revenue bonds on behalf of public safety services, Department of Public Safety and Corrections, with the proceeds being used to acquire, construct and equip a public safety complex at Independence Park in Baton Rouge. These bonds, which do not carry a pledge of the full faith and credit of the state, are payable from any fees, charges, or other revenues available to public safety services including the increased reinstatement fees (Acts 40, 158, and 159, HBs 109, 110, and 111).

#### **Vendors Compensation**

Maintains the vendors compensation rate for collecting the state sales tax at 1.1% until July 1, 2001. Dedicates the savings to the state from maintaining this rate to the following special funds in the state treasury (Act 50, HB194):

1. \$2,150,000 annually to Marketing Fund for use by the Department of Economic Development.
2. An amount necessary to make the balance in the Workforce Development Fund equal to \$6,500,000 in each year including unencumbered and uncompensated balances in the fund.
3. Remainder to the Louisiana Economic Development Fund.

## **Port Construction or Development Priority Program**

Expands the Cash Management Program in the Department of Transportation and Development as it applies to the Port Construction or Development Priority Program. Provides that projects on the approved priority list shall be implemented by the use of funds appropriated, funding obligation authority, or pursuant to the Cash Management Program rules of the department.

Funding obligation authority is granted from funds appropriated or obligated for another project or projects within the Priority Program but not immediately needed for such project. Funding obligation authority for a project is extinguished when funds are made available for that project (Act 161, HB120).

## **REGULAR SESSION, 1998**

### **Transportation Infrastructure Model for Economic Development (TIME)**

Revises the authorized expenditure amounts for the projects in the TIME program to reflect current cost estimates. Authorizes the Department of Transportation and Development to revise these amounts annually. Requires the department to prioritize the remaining projects in the TIME program.

Requires the Revenue Estimating Conference to annually report the projected revenue to be collected under the TIME program for the next fiscal year. The Transportation Estimating Conference shall utilize these revenue estimates and shall make recommendations to the House and Senate Committees on Transportation, Highways and Public Works, the House Committee on Ways and Means, and the Senate Committee on Revenue and Fiscal Affairs regarding the expiration of the tax when it deems there are sufficient funds to complete all of the projects.

Extends the tax until such time as all of the projects are completed and all outstanding bonds are paid. Provides that no bonds may be issued after January 1, 2005 or for a term of more than twenty years (Act 64, HB 286).

## **Tolls**

Extends tolls on the Sunshine Bridge through June 30, 2004. After the bonds which were issued for the construction of the bridge expire, the tolls are reduced to 12-1/2¢ per axle for discounted toll script users and 25¢ per axle for cash users. Upon expiration of the bonds, toll revenue shall first be used for operation and maintenance of the bridge. Remaining revenues shall be used for lighting for the bridge and then four-laning La. Hwy. 1 from White Castle to Donaldsonville.

Extends tolls on the Greater New Orleans Mississippi River Bridges through December 31, 2012; however, such tolls shall not be extended past June 30, 1999 unless transit lanes are opened to High Occupancy Vehicle 2 traffic. Reduces the toll to 20¢ per axle for toll tag users, and for coupon books. Provides that toll revenues be used for the operation and maintenance of the bridges and ferries under the authority of the Crescent City Connection Division, to complete

certain specified bridge projects, and to maximize the state's ability to obtain federal matching funds for such projects (Act 59, HB 250).

### **Tax Credits**

Extends the income tax credit for employers who provide alcohol and substance abuse treatment programs through June 30, 2000 (Act 68, HB 302).

Extends the income tax credit for donations to the Old State Capitol, State Capitol Complex, and State Archival, Historical and Public Records Services through June 30, 2000 (Act 16, HB 145).

Extends the income and corporate franchise tax credit for purchases of qualified recycling equipment to include purchases made prior to December 31, 2000 (Act 8, HB 8).

Provides a state income or corporate franchise tax credit for a portion of the payroll paid to Louisiana residents employed in connection with the filming of a feature-length film made for theatrical or television viewing. The credit cannot exceed the total tax liability of the firm and increases depending on the total payroll for the film (Act 55, HB 186).

### **Property Tax**

Authorizes the waiver of tax liens on blighted property purchased by a person who is not a member of the immediate family of the owner or which is not an entity in which the owner has a substantial economic interest. Such waiver must be in connection with a property renovation plan approved by an administrative hearing officer appointed by the parish or municipal governing authority where the property is located. Authorizes the deduction of past due taxes, interest and penalties in favor of an owner of blighted property, but only if the owner sells the property at less than the appraised value to facilitate the blighted property renovation plan approved by the parish or municipal government (Constitutional Amendment, Act 75, SB 29).

Authorizes the State Board of Commerce and Industry, with the approval of the governor and the local governing authority, to enter into contracts of exemption for up to fifteen years, for certain projects. Those projects must be for the expansion, restoration, improvement or development of a structure for residential use within a downtown district (Constitutional Amendment, Act 76, SB 32).

### **Sales Tax**

Authorizes the secretary of the Department of Revenue to issue an exemption from the payment of advance sales tax for any dealer who sells tangible personal property, who has been registered with and is filing sales tax returns with the department; whose sales of tangible personal property were \$3 million or more, and who has timely filed and remitted such taxes to the department (Act 62, HB 260).

Extends the exemption for boiler fuel until June 30, 2000. However, this exemption is suspended for the same period (Act 21, HB 229).

## Legislation with Revenue Impact

The impact of legislation which reduces the amount of State General Fund available to support appropriations for FY 98/99 was for the most part accounted for during the budget process. The legislation does have significant impact for the succeeding fiscal years. The following table highlights the most significant of those measure.

Explanation	Impact For Fiscal Year (In Millions)				
	98/99	99/00	00/01	01/02	02/03
<b>First Extraordinary Session, 1998</b>					
<b>Sales Tax</b>					
Dedicates the avails of the .97% state sales tax on hotel rentals in Madison and Richland Parishes. (Act 12, HB 39)	(\$.03)	(\$.03)	(\$.03)	(\$.03)	(\$.03)
<b>Regulation</b>					
Transfers regulation and inspection of petroleum and petroleum products from the Dept. of Transportation and Development to the Dept. of Agriculture and Forestry (Act 38, HB 87)	(\$.75)	(\$.75))	(\$.75)	(\$.75)	(\$.75)
<b>Gaming</b>					
Prohibits persons under the age of 21 from playing video poker or lottery (Act 146, SB 33)	(\$.83)	(\$.62)	(\$.62)	(\$.62)	(\$.62)
<b>Regular Session, 1998</b>					
<b>Income/Corporate Franchise Taxes</b>					
Extends the La. Capital Investment Tax Credit Program to 6/30/00. Extends the La. Quality Jobs Tax Credit Program to 1/1/01. Transfers \$780,000 from the La. Econ. Development Fund to the State General Fund to support on economic development grant in Red River Parish (Act 36, SB 112).	\$28	(\$50)	(\$50)	(\$50)	(\$50)
Establishes tax credit for employers for the donation of materials, equipment, advisors or instructors to public training providers, vocational-technical schools or community colleges. (Act 30, SB 76)	(\$20)	(\$20)	(\$20)	(\$20)	(\$20)
<b>Sales and Use Tax</b>					
Suspends certain exemptions from the state sales and use tax from 7/1/98 through 6/30/00. (Act 1, HB 126)	\$338.6	\$347.1			
Provides for an exclusion for leases or rentals of motor vehicles by licensed motor vehicle dealers or manufacturers when such vehicles are furnished to customers under warranty agreement or which are furnished at no charge to the customer. (Act 49, HB 114)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Extends sales and use tax exclusion for approved nonpublic schools 7/1/00. (Act 47, HB 99)	(\$54)	(\$56)			
Extends the exemption for certain trucks and trailers used in interstate commerce through 6/30/00. Requires such vehicles to be engaged in an activity subject to the jurisdiction of the U.S. Dept. of Transportation. Exempts from 7/1/98- 6/30/00 contract carrier buses used at least 80% of the time in interstate commerce. (Act 41, HB 25)	(\$1.25)	(\$1.25)			

Explanation	Impact For Fiscal Year (In Millions)				
	98/99	99/00	00/01	01/02	02/03
Provides an exclusion for camps and retreat facilities owned by nonprofit religious organizations if the property is operated, and the revenue derived therefrom is used for religious purposes. Provides an exclusion for the Society of the Little Sisters of the Poor. (Act 40, HB 16)	(\$.25)	(\$.26)	(\$.27)	(\$.28)	(\$.29)
Provides an exemption for Bass Life and other nonprofit organizations dedicated to conservation of fish. Provides an exemption for sales or purchases of utilities used by steelworks and blast furnaces which are classified as SIC 3312 by the Standard Industrial Classification Code. (Act 28, SB 64)	(\$.52)	(\$.54)	(\$.56)	(\$.59)	(\$.61)
<b>Premium Tax</b>					
Extends the date for certification of new capital companies to 12/31/99 and for certification of new capital to 12/31/00. Provides that premium tax reduction for insurers investing in certified capital companies shall be computed at 10% of the amount of investment. Limits the amount of credit that can be taken in the aggregate for any year to \$8 million. (Act 70, HB319)		(\$8.00)	(\$16.00)	(\$16.00)	(\$16.00)
<b>Tax Equalization Contracts</b>					
Provides that a manufacturing establishment that has or has had a tax equalization contract with the Board of Commerce and Industry may apply for a new ten-year exemption contract if the establishment moves its corporate headquarters to Louisiana and retains its existing plant. The move must be made between 7/1/98-6/30/00. Requires that establishment employ 175 or more employees, 90% of whom are Louisiana residents, and that 90% of officers and managers have their primary office in Louisiana (Act 72, HB33)	(\$.33)	(\$.41)	(\$.49)	(\$.57)	(\$.65)



---

## K-12 EDUCATION

---

- **The FY 98/99 Minimum Foundation Program, the primary means for state funding of public elementary and secondary education, is estimated at \$2.2 billion, an increase of \$103 million over the FY 97/98 MFP Budget Letter.**

This increase includes: \$36 million in unrestricted funds to the less-wealthy school systems; \$53 million for an \$800 minimum pay raise for all teachers, therapists, specialists, counselors, librarians, school nurses and school-based administrators such as principals, assistant principals and supervisors; \$20 million for additional pay raises based on the relative wealth of the school systems; and a reduction of \$6 million resulting from student audits and other adjustments. This represents a 5% increase in state funds for FY 98/99. The new MFP (HCR No. 104) increased the Base Per Pupil Amount from \$2,929 to \$3,020 and stipulates that the \$800 minimum pay raise be distributed no later than September 1, 1998 and the remaining pay raises by March 1, 1999.

- **The MFP will be fully implemented in FY 99/00.**

School systems will receive approximately \$83 million in new funds in FY 99/00 when the MFP is fully funded. The overall increase in new MFP state funding from the initial year of the MFP phase-in (FY 96/97) to FY 99/00 is estimated to be \$418 million (a 22% increase). The prior four-year period (FY 92/93 to FY 95/96) experienced a \$139 million increase in MFP funds.

- **Teachers, therapists, specialists, counselors, librarians, school nurses and school-based administrators will receive a pay raise of at least \$800.**

An additional \$53 million is provided within the MFP for this raise which includes teachers, therapists, specialists, counselors, librarians, school nurses and school-based administrators such as principals, assistant principals and other supervisors. \$600,000 is appropriated to provide the raise for similar personnel employed by the Louisiana School for the Visually Impaired, the Louisiana School for the Deaf, the Louisiana Special Education Center, the Louisiana School for Math, Science and the Arts, the Southern University and LSU Lab Schools, Special School District No. 1 and the Department of Public Safety and Corrections.

- **Teachers and other personnel receiving the minimum pay raise in less-wealthy school systems will receive pay raises ranging from \$821 up to \$1,500.**

This additional pay raise is funded within the equity implementation funds of the MFP and is estimated at \$20 million. School systems will not know how much additional state funds they will receive for these pay raises until the January 1999 MFP Budget Letter is released by the Department of Education informing the school systems what their actual state MFP funds amount is. The final salary increases with these additional funds could range from \$821 to the maximum raise of \$1,500.

- **The minimum school day for public schools will be 360 minutes, as compared with the previous minimum of 330 minutes.**

Act 160 of the 1998 First Extraordinary Session of the Legislature provides that the minimum school day for grades 1 through 12 in every public school shall consist of 360 minutes of instructional time, exclusive of all recesses, when the total cumulative amount of state funds appropriated specifically for salary increases for teachers for the FY 98/99 school year or thereafter exceeds by \$70 million or more the amount of state funds specifically appropriated in the prior year for salary increases for teachers. The state Superintendent of Education will notify each local superintendent of the increase in the minimum number of instructional minutes.

- **\$14 million is appropriated for a one-time pay supplement of \$300 for full-time school support personnel and \$150 for part-time support personnel.**

The supplement includes non-certificated support personnel employed by school systems and non-certificated unclassified support employees of the Louisiana School for the Visually Impaired, the Louisiana School for the Deaf, the Louisiana Special Education Center, the Louisiana School for Math, Science and the Arts, the Southern University and LSU Lab Schools, Special School District No. 1 and nonpublic lunchroom employees.

- **\$25 million is appropriated for the Classroom-based Technology Program.**

A continuation of the Classroom-based Technology Program initiated in FY 97/98 is planned for FY 98/99. Public and nonpublic school systems will receive \$23.7 million, Louisiana Free-Net will receive \$850,000 and the Department of Education will receive the remaining \$375,000. It is estimated that the per pupil allocation from the appropriation is approximately \$26 per student. Each of the 66 public school systems, the seven diocesan systems, 59 nonpublic schools and six special state schools have state-approved technology plans. Approximately 58% of the FY 97/98 appropriation was expended on computers, 18% for Internet connections and the remaining 24% for software, calculators, scientific equipment, projection devices, etc. More than 11,000 computers have been added to the classrooms from the FY 97/98 funds. The student to multimedia-computer ratio has improved to approximately 27:1. It is estimated that the FY 98/99 funds could lower that ratio to 20:1. (Also see \$10.3 million in Federal technology funding below).

- **\$4.8 million in additional Federal Funds is appropriated for technology implementation in the classroom, increasing such Federal funding to \$10.3 million.**

\$10.3 million in Federal Funds is appropriated for FY 98/99 as the second year of the Technology Literacy Challenge Grant program (TLCG), a \$4.8 million increase compared with FY 97/98. TLCG funds will be competitively awarded in two categories. \$5.8 million, or 60% of the flow-through funds will be distributed through a competitive review process and may be used for hardware, equipment, software, etc., and for professional development. \$3.9 million, or 40%, will also be distributed on a competitive basis but may only be used for professional development (e.g., college tuition, stipends, conferences and materials. Separate applications must be submitted for the two components).

- **\$20 million is appropriated for the K-3 Reading and Mathematics Program.**

A continuation of the K-3 Reading and Mathematics Program initiated in FY 97/98 is planned for FY 98/99. Public school systems will receive \$19.6 million and the Department of Education will receive the remaining \$400,000. It is estimated that the per pupil allocation from the appropriation is approximately \$80 per K-3 student with a minimum allocation of \$75,000 for small school systems. Approximately 59% of the FY 97/98 appropriation was expended for materials and supplies to support reading and/or math programs, 34% for teacher stipends and substitute pay during training, salaries for special reading and math teachers working with low-performing students and stipends for teachers working in after-school programs, 3.5% for professional services for staff development and 3% for regional activities and administration. During FY 97/98, 87,000 low-performing students were engaged in intervention programs to help boost their reading and math skills, over 10,000 of the 11,037 K-3 teachers participated in some type of professional development activities in the area of reading and over 4,500 teachers participated in some type of mathematics professional development activities.

- **\$12.1 million is appropriated for Teacher Supplies for both public and nonpublic schools.**

The Teacher Supplies funding initiated in FY 97/98 has been continued for FY 98/99. The funds will be distributed to public school systems, charter schools, state special schools, university lab schools, schools operated by the Department of Public Safety and Corrections and BESE-approved nondiscriminatory nonpublic schools. Public and nonpublic school-based teachers, librarians and counselors will receive an allocation from the funds based on a per pupil amount of approximately \$13 per student. A minimum of seventy-five percent of the funds shall be used for teaching materials, equipment and supplies which are not consumed within a one-year period of time.

- **\$19.9 million for full-implementation of TOPS scholarships is appropriated for FY 98/99, bringing the total appropriation to \$37 million.**

The increase for the Tuition Opportunity Program for Students, will fund approximately 15,014 TOPS awards in FY 98/99 compared with 7,769 awards in FY 97/98. TOPS has five major components:

TUITION OPPORTUNITY PROGRAM FOR STUDENTS FY 98/99					
	Opportunity Award (Replaces Tuition Assistance Plan)	Performance Award (Replaces Honors Scholarship)	Honors Award	Teacher Award	Tech Award
<b>High School GPA</b>	2.5	3.5	3.5	3.25	2.5
<b>ACT Composite Score</b>	19	23	27	23	19
<b>Award Number</b>	5,115	4,127	4,421	89	1,262
<b>Cost</b>	\$11,299,035	\$10,767,343	\$13,302,789	\$400,000	\$757,200

- **\$7.5 million is appropriated for Educational Accountability Initiatives for FY 98/99.**

\$7.5 million is appropriated for the following Educational Accountability Initiatives. High Stakes Testing Remediation Piloting is budgeted \$2 million (an additional \$1 million is budgeted in 8(g) funds), Math and English/Language Arts Criterion Reference Tests are budgeted \$1.7 million and Science and Social Studies CRT development is budgeted \$1.8 million. Also included is \$1.3 million to replace School and District Accountability funds and \$750,000 to replace 8(g) high school exit exam funds.

- **\$3.4 million 8(g) funds are appropriated for Preschool Education enhancements.**

An additional \$3.4 million 8(g) Funds are appropriated for Preschool Early Childhood programs bringing the total FY 98/99 appropriation to \$6.6 million. The additional 8(g) funds are no longer needed for the Technical Institutes which received \$3.4 million SGF. Based on previous participation rates, it is hoped that a minimum of 2,200 additional preschool four-year old children can be served with the \$3.4 million.

- **\$2.7 million is appropriated for Type 2 Charter Schools.**

Type 2 Charter Schools are new schools operated as the result of, and pursuant to a charter between a nonprofit corporation created to operate the school and BESE. Type 2 Charter Schools are to be funded at a level which represents an amount equal to the combined state and local target amount in the MFP for the district in which the charter school is located. The Type 2 Charter School budget is \$2.65 million for FY 98/99. This level of funding anticipates approximately 500-550 students enrolling in Type 2 Charter Schools.

- **\$2 million is appropriated for Alternative Schools.**

\$2 million in "one-time" start-up funding is appropriated for Alternative Schools and Programs. Funds will be used to create or expand an existing alternative school or program serving chronically disruptive, suspended or expelled students or those who have dropped out of school. Tentative plans are that school systems and eligible charter schools may apply for a maximum grant of up to \$200,000 as long as a match equaling the amount of funding requested is provided. Applications must clearly show how the alternative school or program will be sustained after the receipt of such one-time funding.

- **\$1.5 million for additional Non-Public Educational Assistance is appropriated for FY 98/99 bringing the total appropriation to \$27.9 million.**

Non-Public Education Assistance is divided into five programs: Textbooks are budgeted \$3.4 million; Required Services reimbursements are budgeted \$11.2 million; School Lunch Salary Supplements are budgeted \$5.5 million; Transportation is budgeted \$7.6 million; and Textbooks Administration is budgeted \$199,979. Required Services reimbursements will increase from \$9.7 million to \$11.2 million which should allow for approximately 86% of the claims from approved, nonpublic schools to be reimbursed.

- **\$800,000 in additional Pell Grant Federal Funds are appropriated, bringing the FY 98/99 Pell Grant budget to \$7.8 million.**

The maximum grant will increase from \$2,700 per student in FY 97/98 to \$3,000 in FY 98/99.

---

## HIGHER EDUCATION

---

- **\$24.75 million is appropriated for deferred maintenance to include life-safety repairs and renovations.**

According to the State Fire Marshal, approximately \$40 million is needed for renovations to correct life-safety code violations. Consequently, the management boards are authorized to use funds appropriated for deferred maintenance projects to include repairs and renovations to correct these violations.

- **\$15.0 million is appropriated to the Board of Regents for enhancements to libraries and scientific equipment at higher education institutions.**

Building on the FY 97/98 appropriation of \$10.0 million, \$15.0 million is appropriated to enhance library and scientific equipment at public higher education systems to be distributed as determined by the Board of Regents. The distribution to individual higher education institutions is shown in the table at the end of this section.

- **\$14.6 million in additional State General Fund is appropriated for enhancement of current operations of higher education institutions.**

Funding from the State General Fund is provided to the Board of Regents for the enhancement of current operations of public higher education institutions to be allocated to the management boards for distribution to institutions. Two-thirds of the amount appropriated will be dispersed on a pro-rata basis to all schools and one-third will be dispersed to institutions based on their funding need under the higher education funding formula. The distribution to individual higher education institutions is shown in the table at the end of this section.

- **\$7.5 million in additional State General Fund is appropriated to the LSU Medical Center to replenish the institution's fund reserve and for funding enhancements.**

The appropriation of \$4.3 million in State General Fund builds on the \$43.5 million appropriated for FY 97/98 to replace non-recurring revenues from reserve fund balances that were depleted in past years. This appropriation finalizes the replacement of reserve funds that were incorporated into the LSUMC budget over the last several years. Also appropriated are \$3.2 million in additional State General Fund in funding enhancements.

- **\$3.1 million in additional State General Fund is appropriated to new community colleges.**

Additional funds are appropriated to the Baton Rouge, South Louisiana, and River Parishes community colleges. Specifically \$1.8 million in additional funds are appropriated to the Baton Rouge Community College for a total of \$4.0 million; \$800,000 in additional funds are appropriated to the South Louisiana Community College for a total of \$1.4 million; and \$500,000 in startup funding is appropriated to the River Parishes Community College. Additionally, funding for the Teche Area Technical College is transferred from the Board of Secondary and Elementary Education to the University of Louisiana Board of Trustees, effective July 1, 1998, pursuant to Act 151 of the First Extraordinary Session of the 1998 Legislature.

- **\$1.2 million in additional State General Fund is appropriated as pool funding for costs associated with community colleges and learning centers.**

In order to effectively utilize state funds given the uncertainty of projected student enrollments, funding is provided to the Board of Regents to be made available to the Baton Rouge Community College, the South Louisiana Community College, the River Parishes Community College and other community colleges and academic learning centers to help supplement existing budgets or provide startup funds. Funding is to be provided on an "as needed" basis for all the above in accordance with a plan to be developed by the higher education management boards and adopted by the Board of Regents.

- **\$2.0 million in State General Fund and \$750,000 in Statutory Dedication is appropriated for additional Distance Learning Initiatives.**

Building on the FY 97/98 appropriation of \$3.0 million for distance learning initiatives, \$2.0 million in State General Fund and \$750,000 in Statutory Dedications from the Higher Education Initiatives Fund, Distance Learning Account is appropriated for the development of additional distance learning university classrooms and infrastructure connections, to include the purchase of equipment. The purpose of this initiative is to connect all colleges and universities together for the transmission of knowledge between colleges so that students can receive an education that they would otherwise not normally receive without traveling to another college.

- **\$1.0 million is appropriated for improving university based teaching/training programs.**

Funding is provided for the purpose of improving university based teaching/training programs in Louisiana. Monies shall be used for the development of innovative teaching strategies in Louisiana by providing for professional development, demonstration centers, graduate assistantships, inter-campus collaborations, and inter-disciplinary training for teaching professionals.

- **\$500,000 in State General Fund is appropriated for the establishment of the Louisiana Community and Technical College Board.**

Funding is provided for the establishment of the Louisiana Community and Technical College Board, provided that Act 170 of the Extraordinary Legislative Session of 1998 is ratified in the fall public referendum. Funding is to provide for the start-up costs associated with the establishment of the new board to begin operations sometime in January of 1999.

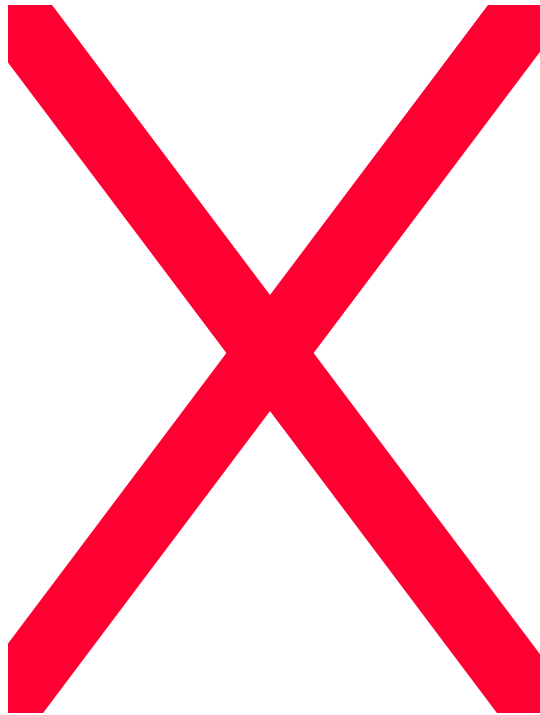
- **\$540,000 in additional State General Fund is appropriated for enhancements to the Louisiana Library Network.**
- **\$100,000 in additional State General Fund is appropriated to the LSU Medical Center, Occupational Toxicology Outreach Program.**

In light of recent inquiries by state and federal environmental and health officials, \$100,000 is appropriated to the LSU Medical Center, Occupational Toxicology Outreach Program in Shreveport for testing, surveillance, prevention, and diagnostic procedures associated with the continuing investigation into the relationship between the health of the citizens of Grand Bois and the nearby oil field waste site.

- **Capital Outlay funding includes \$396 million for planning, land acquisition, renovation and construction at state higher education institutions.**

This funding includes \$315 million in Priority 1, 2, and 5 General Obligation Bonds, \$3.8 million in State General Fund, \$67 million in Revenue Bonds and \$10 million in Self-Generated Revenues.





---

## VOCATIONAL-TECHNICAL EDUCATION

---

- **\$3.4 million in additional State General Fund is appropriated to substitute for 8(g) funds.**

If approved by the voters in the fall, all of the technical colleges under the Board of Elementary and Secondary Education (BESE) are to be transferred to the newly created Louisiana Community and Technical College system under the Board of Regents effective July 1, 1999. This funding, mandated by Act 151 of the First Extraordinary Session of the 1998 Legislature, is a means of finance substitution for 8(g) funds.

- **\$4 million in additional State General Fund is appropriated for equipment purchases.**

In past years, equipment was purchased on a case by case basis for each technical college through individual amendments to the appropriation bill. Consequently, resources were not allocated in a coordinated effort based on a strategic plan for the system as a whole. This appropriation ensures that all schools receive some funds for the purchase of equipment in accordance with guidelines established by BESE. This distribution will include the Teche Area Vocational-Technical College. These funds will be distributed by BESE based on guidelines that are being developed.

- **\$3.6 million in additional State General Fund is appropriated for the newly adopted professional development salary schedule for unclassified employees.**

BESE approved a new pay plan for the vocational-technical system for unclassified employees on March 26, 1998. The appropriation is to fund the new pay plan effective January 1, 1999 by increasing the average salaries of staff (administration, support, and instructors) by approximately 17% over current salaries. Below is a breakdown of the impact on average salaries:

<b><u>Staff Type</u></b>	<b><u>Current Average Salary</u></b>	<b><u>Proposed Average Salary</u></b>	<b><u>Average Increase in Salary</u></b>
Administrative	\$49,892	\$58,248	\$8,356
Support	\$40,642	\$47,782	\$7,140
Instruction	\$34,395	\$40,202	\$5,807

- **\$10.0 million is appropriated for capital outlay projects for the technical college system.**

The Technical College System is appropriated \$3 million in State General Fund, \$5.0 million in general obligation bonds, and \$2.0 million in reallocated bond proceeds for a total of \$10.0 million for major repairs, equipment replacement, and site work.

- **Funding requests for additional instructors and other enhancements requested by individual schools were not funded pending creation of the new Community and Technical College Board.**

---

## HEALTH AND SOCIAL SERVICES

---

### **Medicaid**

- **Overall Spending for Medicaid**

Overall, HB 1 fully funds the Medicaid program and includes appropriations necessary for the state's full match rate. FY 98/99 Medical Vendor payments excluding enhancements are \$3.336 billion, an increase of about \$55 million compared with the FY 97/98 budget. Almost all of this growth comes from several new or expanded programs or enhancements which are discussed below. Achieving this level of spending will depend on a continued strong economy, but the Appropriations Act allows DHH to carry out utilization or other spending constraints if spending exceeds these projections.

Besides the Children's Health Insurance Program (CHIP), HB 1 also includes one new service in FY 98/99. Assisted Living Services, as mandated by Act 1185 of 1997, will commence with a \$1.2 million appropriation next year.

The Legislature increased reimbursement rates for only four private provider groups in FY 98/99. Physician's fees for office visits increased 10% as part of CHIP (see below). Payments for emergency transportation services provided by ambulances increased by approximately 7%. Among other private providers, the budget explicitly adjusts only pharmacy payments for inflationary increases. Other providers' cost increases reflect utilization increases or changes in rules previously approved by the Legislature (e.g., leave days at ICF/MR facilities).

Rural Hospitals will receive payments for uncompensated care totaling at least an estimated \$25.5 million, a 33% increase compared with the FY 97/98 level of \$19.1 million. Rural hospital payments will also have a first claim on up to \$6.75 million for any state match surplus that occurs in the Medicaid program after April 1 of next year.

The State Match for the Medicaid Program (approximately 29.7%) is fully funded with the addition of \$34.4 million in State General Fund to replace one-time funds. Moreover, carry-forward funds or monies that DHH must generate through pooling account for less than \$50 million in FY 98/99, compared with more than \$100 million from these sources in FY 97/98.

- **New Medicaid Programs focus on Children's Health Care**

The Children's Health Insurance Program (CHIP) will begin outreach and enrollment activities in November 1998. This appropriation implements Act 128 of the 1998 Special Session. Up to 58,000 children from low income families (incomes below 133% of poverty level, or about \$17,700 for a family three), will be eligible for CHIP coverage. The program will cover almost 29,000 persons who have never before been Medicaid eligible. An

additional 29,000 new Medicaid enrollments are also expected because of the outreach program associated with this new program.

Total funding for outreach, administration, and medical coverage is \$24.4 million (\$6.6 million SGF) in the first year. This expands to a total cost of almost \$48 million (\$12.3 million SGF) in FY 99/00, when 75% of uninsured children from low-income families should participate in either the Medicaid or CHIP programs.

HB 1 also provides \$9.5 million (\$2.9 million in SGF) for a 10% fee increase for physician office visits authorized by Act 128 of the 1998 Special Session. DHH has not increased these fees since 1990, and has reduced them in FY 96/97. This increase is a vital part of the CHIP initiative, since it will improve access to physician care for the additional children enrolled throughout the state.

A second new children's health initiative provides \$1.9 million (\$300,000 SGF) to promote abstinence to reduce teenage pregnancy. DHH will manage this program through the Office of the Secretary.

Other enhancements to child health care include school-based clinics, which are discussed under Public Health, and KID-MED services, which return to 1995 levels after two years of budgetary constraint.

- **Care Options for Developmentally Disabled and Elderly Expand Coverage**

MR/DD Community-based Services expand substantially in three areas due to House actions. First, funding of \$9.7 million (\$2.9 million in SGF) was added to increase the number of MR/DD waiver slots by 700, more than double last year's expansion. This brings total waiver slots to 3,451. This expansion includes personnel for case management of the new recipients and for monitoring the quality of care for all MR/DD Waiver clients at a cost of \$587,000.

Ten new regional personnel will meet the increased demands for intake services on the regional level at a cost of \$349,360. OCDD diagnosis and evaluation services also increase by \$140,700 to provide timely eligibility determination for the 700 new waiver slots. Currently, there are nearly 10,000 people on the waiting list to receive Home and Community Based Waiver services. The Families Helping Families organization received \$105,000 to create a pilot single point of entry/information and referral project in two of the ten OCDD regions.

Second, in the Office of Citizens with Developmental Disabilities (OCDD), new cash subsidy slots are provided for disabled children who have been on the waiting list for at least four years. Some 439 new families will receive cash subsidies, which is almost 70% more than last year's expansion. Phase-in for these new slots will begin in July 1998 at a total cost of \$746,280 in State General Fund, with second year annual costs reaching approximately \$1.36 million. These additional slots will permit the agency to address regional differences and inequities in the average time spent on the waiting list.

Third, this expansion in care options affects two programs administered by the Office of Mental Health. 100 new cash subsidy slots for the families of persons with mental illness will phase-in over a period of twelve months, and Family Support flexible services, including planned and crisis respite services, also increase.

Two other enhancements provide 200 additional slots in the Elderly/Disabled Waiver Program and an additional 200 slots in the Adult Day Health Care Waiver program. Both waiver programs provide cost saving alternatives to nursing home care. These expansions total some \$2.7 million (\$800,000 SGF) in 1998-99.

The Elderly/Disabled Program is operated statewide. Local Councils on Aging accept initial applications and maintain waiting lists for these waiver services. To qualify, a person must be eligible for Medicaid and be eligible for admission to a nursing home. Medical evaluations and a plan of care are arranged as individual slots become available. The Adult Day Care program is operated through several adult day care centers. While these are located throughout the state, they are not in every parish. The centers accept initial applications. In both programs, the regional Medicaid office grants final approval and assigns a person to an available waiver slot.

### **Developmental Disabilities**

- **\$8,774,899 in new funding is appropriated to address the Department of Justice inquiry at the Pinecrest and Hammond Developmental Centers (\$1.8 million in SGF).**

In January 1995 and February 1997, the U.S Department of Justice investigated conditions at the Pinecrest and Hammond Developmental Centers. To address problems uncovered by the inquiry, Pinecrest received additional funding totaling \$5,581,829 for the following items: 338 new positions, the majority of whom are direct care staff (\$4,270,334); medical and professional service contracts (\$61,495); supplies and equipment (\$700,000); and new vehicles (\$550,000). Hammond received an increase of \$2,518,070 for the following items: 21 new positions (\$918,070) and temporary staff (\$300,000); professional and medical consultants (\$750,000); clothing, upgrade and repair of facility and vehicles as well as the purchase of new equipment (\$450,000). Lastly, the Office of Citizens with Developmental Disabilities received \$675,000 for 39 new positions to assist in the transition and tracking of clients moving into the community.

An additional \$1.2 million is added to Pinecrest's budget to annualize professional service contracts funded through a BA-7 approved during this fiscal year.

- **State General Fund for the Adult Habilitation program is increased by \$1.5 million to address continuous budgetary shortfalls.**

The Adult Habilitation program offers long-term employment and related services to individuals who have exited the school system and wish to remain in their home communities. The additional funding will be applied to existing contracts which currently are set at 89% of actual cost as determined in 1992. Currently, the program serves 1,540 people at an average annual cost of \$5,981. While these additional monies will allow the agency to increase contract payments to the 1992 level, they are insufficient to fill the remaining gap in funding at current cost levels.

- **\$394,695 is added to increase staffing due to an upgrade in the level of care designation at the Southwest Developmental Center.**

These funds will be used to hire 24 additional Resident Training Specialists. An onsite review by the Health Standards Section of the DHH revealed that 95% of the clients were either profoundly or severely mentally retarded. Many clients also require a substantial amount of care for physical and psychiatric disorders. These conclusions led to an increase in the level of care from 5 to 6, thus necessitating the increase in staff.

- **Capital Outlay funding of \$3.2 million is provided for state developmental centers.**

Priority 1, 2, and 5 General Obligation Bond funding is provided for various repairs at Peltier-Lawless, Metropolitan, Northwest and Southwest Developmental Centers.

#### **Jefferson Parish Human Services Authority**

- JPHSA is provided \$325,872 in additional Interagency Transfers from Mental Health for additional mental health staff and the purchase of psychiatric medications.

#### **Capital Area Human Services District**

- The approved budget for CAHSD includes transfer of the Capital Area Recovery Program (a residential substance abuse unit), \$1,151,650 in Interagency Transfers and 29 employees from the Office of Alcohol and Drug Abuse to the CAHSD.
- \$163,834 and three positions are provided to establish a Mental Health Crisis stabilization day program.
- \$250,000 in State General Fund is provided to expand alcohol and drug detoxification services by the district.

### **Villa Feliciano Medical Complex**

- \$356,063 in additional State General Fund is provided for supplies and operating services to meet the demands associated with rising patient acuity.
- \$183,666 in additional Interagency Transfers provides for the opening of the remaining ten beds of the Infectious Disease (TB) Unit.
- Capital Outlay funding includes \$2,545,000 payable from General Obligation Bonds for renovations to existing structures in the complex.

### **Office of Public Health**

- **\$700,000 in State General Fund is provided for the expansion of Sickle Cell Anemia Program.** This augments the \$150,000 in State General Fund added during the current fiscal year (97/98) for Sickle Cell Anemia research.
- **\$600,000 in State General Fund is provided for the expansion of School Based Health Center services statewide.** These additional funds will be distributed to 6 new part-time sites and will be used to expand services at 19 sites. This increases the state contribution to School-Based Health Center funding from \$2,500,000 to \$3,100,000.
- **\$150,000 in State General Fund is provided for the expansion of social and medical services at the Louisiana Comprehensive Hemophilia Care Center.** This augments the \$900,000 in State General Fund added during the FY 96/97 for hemophilia blood factor purchases and for hemophilia case management.
- **The approved budget for the Office of Public Health also includes the following funding enhancements:**

An additional \$3,369,857 in Federal Funds and 16 positions for Safe Drinking Water Revolving Fund activities.

An additional \$4,000,000 in Federal Funds for the 100% federally funded Women, Infants, and Children block grant.

\$250,000 in State General Fund for the second year operation of the River Region Cancer Screening and Early Detection Center in Ascension Parish.

\$100,000 in State General Fund to continue the Mosquito Control laboratory analysis in the Environmental Services program.



### **Office of Mental Health**

- **\$400,000 in State General Fund is appropriated to facilitate provision of mental health services to children in community-based settings.**

This funding is for a children's initiative designed to improve the monitoring of psychiatric hospital admissions and to facilitate the discharge of children from these hospitals who can receive more appropriate care in a community-based setting.

- **\$12,000,000 in State General Fund is provided to replace \$12,000,000 in Interagency Transfers (from the Medical Vendor Program) for Feliciana Forensic Facility.**

This means of financing swap was implemented to address the institution's existing cash-flow shortfall due to the inability of the Office of Mental Health to pool adequate Uncompensated Care funding. A corresponding replacement of State General Fund with Interagency Transfers was made in the Medical Vendor Program.

- **Capital Outlay funding of \$3.9 million is provided for repairs and renovations at state mental hospitals.**

This funding in Priority 1, 2, and 5 General Obligation Bonds includes the replacement of emergency generators and modification of HVAC system at Central State Hospital (\$2.8 million); new HVAC unit for East Louisiana State Hospital Patient Care Unit (\$180,000 in NRP bond proceeds); replacement of the fire alarm system and elevator at Greenwell Springs State Hospital (\$390,000); and JCAHO renovations and replacement of the fire alarm system at New Orleans Adolescent Hospital (\$535,000).

### **Office of Alcohol and Drug Abuse**

- **\$750,000 in additional State General Fund will expand Drug Court programs statewide.**

This increases the state contribution to the OADA drug court program from \$1,500,000 (distributed on a basis of \$150,000 per OADA region) to \$2,250,000.

- **\$750,000 in additional State General Fund is provided for treatment services.**

This funding will provide increased services for adolescents and halfway house treatment and will replace a portion of the expiring Target Cities grant for treatment services in the New Orleans area.

- **\$1,050,000 in additional Statutory Dedications is provided to address compulsive and problem gaming.**

Act 585 of 1997 increased the annual allocation to the Compulsive and Problem Gaming Fund from \$150,000 to \$500,000 from Lottery, Riverboat Gaming, and Video Poker sources, for a total increase of \$1,050,000. With this increase, expenditures to address compulsive and problem gaming increase from \$450,000 to \$1,500,000.

- **\$360,000 in Federal Funds due to the receipt of a new federal grant designed to reduce underage drinking.**
- **20 new positions for the establishment of an adolescent drug abuse unit at Greenwell Springs Hospital,** to be supported by planned reductions in the Blue Walters treatment program at Dixon Correctional Institute.

### **Welfare Reform**

- **Federal funding for the FINDWORK program is increased by \$21 million to fulfill federal work participation requirements.**

In January 1999, approximately 13,000 welfare recipients will have reached their lifetime limits and will become ineligible for participation. In preparation for this transition, the agency is appropriated nearly \$21 million to fund work participation activities that would increase the overall participation rate from 25% to 35% as required by federal law.

- **\$1,655,000 million (\$562,700 in SGF) is appropriated for a contract to consolidate the Child Support Collection system.**

Section 454 of the Welfare Reform Act of 1996 requires states to establish a centralized collections unit whereby all child support collections will be sent to one location. These funds will be used to hire a contractor, the costs for which are based on a rate of \$1.25 per child support payment and an average of 1,324,000 processed payments.

- **A \$500,000 increase in Federal Funds will finance a contract with Southern University and LSU to evaluate the impact of changes in the Temporary Assistance to Needy Families (TANF) program.**

As part of the Department of Social Services' state plan for welfare reform, a formal evaluation of the TANF program must be conducted. Randomly selected recipients will be evaluated to assess the impact of the FINDWORK program and the TANF work program in helping individuals find and retain employment. The impact of reforms on children receiving assistance will also be studied.

## **Other Social Services**

- **\$1,814,525 (\$1,283,652 in SGF) for Therapeutic Foster Care beds for children with emotional, physical, mental, and psychological impairments.**

These funds will be used to finance 42 therapeutic foster placements and community support services for children with multiple disabling conditions. Currently, placement needs assessment data indicated that 39.6% of foster children were not in appropriate placement settings. Other research has shown that approximately 22% of the foster care population over ten years of age suffers from mental illnesses, is sexually assaultive, or has chronic emotional or behavioral disorders. This appropriation partially addresses the lack of sufficient facilities for those children with special needs.

- **A \$500,000 increase in State General Fund will expand the Families in Need of Services (FINS) program to provide additional support and aid to areas experiencing a high number of referrals.**

FINS is a crime prevention program operating on a statewide basis through the Louisiana court system. It provides early intervention services to ungovernable children to prevent them from entering into the juvenile court system. The additional funds will increase the program's operating budget to \$1,600,000, providing additional statewide support and expanded resources at judicial districts experiencing a high number of referrals.

- **\$400,000 is provided for additional services for the blind.**

Of this amount, \$200,000 is provided for the Louisiana Center for the Blind at Ruston as matching funds to Louisiana Tech for instructor training and \$200,000 is provided for the Affiliated Blind for services to the blind, deaf-blind, visually impaired, and elderly visually impaired.

- **Several important funding streams added during FY 97/98 were annualized:**

\$771,450 for the Electronic Benefits Transfer Program (Welfare reform).

\$7,782,178 for the Earned Income Disregard (Welfare reform).

\$835,713 for 60 Child Protection Investigation positions and 40 Foster Care positions.

\$1,975,549 in Clerk of Court filing fees.

\$3,408,966 for the Employment and Training grant approved by a BA-7.

## **Charity Hospitals**

- **The approved operating budget for the Louisiana State University Medical Center-Health Care Services Division includes:**

\$2,165,000 in Uncompensated Care payments to provide a 5.91% raise (on average) for House Officers in system hospitals.

\$6,731,740 for increased cost of personnel and supply costs at all system hospitals.

\$709,000 for expiring equipment maintenance contracts at the Leonard J. Chabert Medical Center and the Medical Center of Louisiana at New Orleans.

\$635,000 for Year 2000 computer and phone upgrades at Huey P. Long Medical Center and University Medical Center.

\$501,294 to annualize the costs of 12 internal audit positions transferred to the Executive Administration and General Support Program from MCL-NO by BA-7 during FY 97/98.

\$517,354 to provide for the initial implementation of a Financial Executive Information System (payroll and inventory controls and patient data development).

\$576,000 in Interagency Transfers for the increased costs of cancer treatment contracts at Earl K. Long Medical Center (\$408,000) and Lallie Kemp Medical Center (\$168,000).

\$900,000 in State General Fund for an adolescent rehabilitation program conducted by the Rapides Parish Law Enforcement District with services provided by the Huey P. Long Medical Center.

\$600,000 in State General Fund for the operating expenses of three clinics managed by the New Orleans Health Corporation.

- **Capital Outlay funding for charity hospitals includes \$6.2 million for fire safety code renovations and clinic development and \$142 million in Revenue Bonds for the Trauma Center in New Orleans.**

The \$4,140,000 in Priorities 2 and 5 General Obligation Bonds includes Fire Safety Code renovations at Earl K. Long Medical Center (\$2 million), Medical Center of Louisiana at New Orleans (\$1 million), and University Hospital at New Orleans (\$1.1 million), and for land acquisition and primary care clinic planning at Washington-St. Tammany Medical (\$2.1 million). \$142,000,000 in Revenue Bonds is provided for the planning and construction of the Trauma Center tower at the Medical Center of Louisiana at New Orleans.

---

## TRANSPORTATION

---

### **DOTD Budget Reorganized - Routine Maintenance, Litter Control and Safety Emphasized.**

DOTD appropriations reflect the recent Special Session reorganization of the Department of Transportation and Development. The most significant change created a new Office of Public Works and Intermodal Transportation. This office will manage the priority programs for non-highway projects such as ports, flood control and aviation and railroad issues. The reorganization did not require additional departmental expenditures.

District maintenance activity will receive an additional \$2 million for supplies like asphalt for potholes, signals, guard rail repairs and other routine maintenance work. An additional \$1 million is also available for routine maintenance activities done by contractors. Turnover on district crews should also improve. Employees in maintenance and trade jobs will receive a minimum 7.5% pay increase as approved by Civil Service beginning January 1, 1999.

The other major enhancement is \$2.2 million for additional roadside vegetation, litter control and “road runner” vehicles to improve safety and reduce congestion at major construction sites.

Federally funded highway projects will increase by \$100 million due to increases in Louisiana’s allocation of funding in the new national transportation funding law. State sources of highway project funding are less, since the FY 97/98 highway program used recurring revenues and prior year fund balances. These balances are now fully obligated and projects must rely on recurring revenues only.

Total overlay spending, while less than FY 97/98 due to smaller supplemental appropriations, will still be at least \$135 million, including \$15 million from the State General Fund. The balance of funding is from Transportation Trust Fund (TTF) and Federal Funds.

Public Transportation Program enhancements include \$875,000 in Federal and Self-Generated Revenues for purchase of new rural transit vehicles. The vehicles will be allocated based on need and available matching funds from rural transit systems.

The Aviation Program will distribute \$200,000 for general aviation airport maintenance as part of a new grant program established by Act 145 of the recent Special Session. Grants of up to \$10,000 will be distributed based on need and a 50% local match.

The Port Priority Program will receive \$2 million (TTF) for FY 98/99. However, the program will authorize up to \$24.5 million in new projects using the new cash management procedures authorized in 1997 and the recent special session.

The Flood Control Program does not receive new appropriations for FY 98/99 but an estimated twelve project starts will continue due to the cash management program. This will allow the spend-down of balances that the Flood Control Program has accumulated over several years.

---

## MILITARY AND VETERANS AFFAIRS

---

### Military Affairs

- **\$3.7 million in state and federal funds is appropriated for the operation and maintenance of the Gillis W. Long Hansen's Disease Control Center Carville Complex.**

HR 2264 of the 1997 U.S. Congress transfers ownership of Gillis W. Long Hansen's Disease Control Center to the state of Louisiana. State officials and private industry will work together to determine how the facility will be used. Tentative plans include a job training program for at-risk youth, as well as expansion of the Youth Challenge Program operated by the Office of Military Affairs, continued service to the 70 to 80 patients who accept an option to remain at the Center, and housing of a La. Army National Guard Engineer Unit.

- **\$3.8 million will expand the Youth Challenge program to the Carville Complex.**

The "Carville Academy" will aid high school dropouts in acquiring life enhancing and employable skills. Recruitment efforts will be aimed at high school dropouts aged 16 to 19, who are unemployed, drug-free and free from serious involvement with the legal system. The program consists of a five-month residential training program and twelve-month post-residential mentor phase. In lieu of the \$1,200 stipend normally awarded to program graduates, the combined program would offer the graduate a position in the Job Corps Program (see above). Business and industry will provide input on training programs using existing and future job requirements. The first class of 200 students should begin April 1999.

- **Capital Outlay funding provides \$24.9 million for various projects statewide.**

These projects are funded by \$2.2 million in State General Fund \$589,200 in Fees and Self-Generated Revenues, \$6,430,200 in Federal Funds, and \$15,630,000 in General Obligation Bonds in Priorities 1, 2, and 5, and include:

**\$10,583,000** - for infrastructure construction and renovations.

**\$ 6,325,000** - for maintenance and repairs.

**\$ 7,998,000** - for planning and construction of firing ranges.

### Veterans Affairs

- **Capital Outlay funding provides \$22 million for two new War Veterans Homes .**

The planning and construction of the Northeast La. War Veterans Home in Bossier is funded with \$9.3 million in federal funds, \$200,000 in Priority 2, and \$1.5 million in Priority 5 General Obligation Bonds. The planning and construction of the Southeast La. War Veterans Home in St. Bernard or Jefferson Parish is funded with \$9.3 million in Federal Funds, \$200,000 in Priority 2, and \$1.5 million in Priority 5 General Obligation Bonds.

---

## PUBLIC SAFETY AND CORRECTIONS

---

### Corrections Services

- **\$3.7 million is provided for Year 2 of the Wide Area Networking Project.**

In an effort to move away from a dependence on mainframe technology and maintain compatibility with other state agencies, the development and implementation of the Division of Administration's ISIS system, and the Louisiana Commission on Law Enforcement's plan for a statewide integrated criminal justice information system, the department is funded for expansion of the OIS system. These areas of automation are being developed with PC based technologies (such as ORACLE) and Internet based technologies (TCP/IP). Corrections Services existing mainframe application systems and mainframe network are not compatible with these new technologies. This will allow the department to fund the first year of a 3-year project to convert the network.

- **\$5.3 million is provided for salary adjustments including \$400,000 for Chase and Tact Teams, \$2.2 million for the Master Sergeant Pay Plan, \$2.2 million for Corrections Service Officer Pay Equalization Plan, and \$453,000 for Year 1 of a 3-year plan to increase teacher pay at correctional facilities.**

Civil Service recently approved the classification of Master Sergeant for certain Correctional Sergeants whose job duties include the expanded role of providing guidance and training to newly hired cadets and also service as assistant to the Corrections Lieutenant. Funding is provided for a 7% pay increase to be given to employees promoted to this position. The department proposes to grant the rank to 992 Corrections Sergeants with ten years or more experience in Corrections Security, the standard used by other law enforcement agencies including Public Safety Services and the Department of Wildlife and Fisheries.

In FY 97/98 the department proposed a retention pay plan for Correction's Security Officers, whereby newly hired Cadets would receive a 2% raise three months after they are hired, then the current promotion to Corrections Sergeant after 6 months, a merit increase after the end of their first year, then an additional 2% increase three months later. The objective of this plan is to reduce the 80% turnover rate by giving smaller pay increases at more frequent intervals. The department hopes that this effort, in conjunction with the Master Sergeant classification (see above) would address the high attrition rate. For FY 98/99, additional funding is provided for merit increases associated with the pay equalization for these positions.

The first year of a three-year plan to increase teacher pay for adult and juvenile facilities is funded at \$453,000. The increase would impact 16 teachers at the adult facilities and 92 teachers at the juvenile facilities. This pay plan does not impact the vocational-technical teachers who provide academic and vocational training to the inmates (approximately 64 instructors).

- **\$4.7 million is appropriated for prison bed expansion at adult facilities.**

Expansions include \$1.8 million for 230 beds at Louisiana State Penitentiary, \$1.6 million for 166 beds at Louisiana Correctional Center for Women and \$339,000 for a 96-bed cellblock and an additional 29 beds at Dixon Correctional Institute.

- **\$3.8 million is appropriated for 276 additional juvenile beds at LaSalle Juvenile Facility.**
- **A \$22.2 million increase is provided for Sheriff's Housing of State Inmates due to increased inmate population.**

The projected population of 12,810 inmates for FY 98/99 is an increase of approximately 1,615 over FY 97/98.

- **\$4.7 million is appropriated for a \$1 increase in Sheriffs' Per Diem for housing state inmates (increases total per diem to \$22 per day).**
- **\$400,000 is provided for funding of Project Return.**

The mission of the program is to reduce crime and violence by breaking the cycles of crime and violence. This is accomplished by maximizing the employability of convicted felons through enhancement of self development, communication skills, job and financial skills development, education, interpersonal and family relationship development, substance abuse education, stress and anger management, advancing their ability to read, write and speak effectively and solve problems at levels of proficiency necessary to function on the job and in society and lastly by providing assistance in job placement. These additional funds will allow for a reduction in the New Orleans waiting list with potential integration into other areas of the state.

- **The Capital Outlay bill also contains funding in the amount of \$78.4 million for a variety of projects at correctional facilities.**

These projects are funded by \$36.5 million in Federal Funds, \$41.9 million in General Obligation Bonds in Priorities 1,2 and 5, and include:

**\$8.5 million** - for dormitory and cellblock planning and construction

**\$39.6 million** - for replacement and renovations to educational buildings and skilled nursing care, mental health and infirmary facilities.

**\$800,000** - for levee system improvements at Angola.

**\$30.2 million** - for miscellaneous repairs and upgrades including electrical, plumbing, mechanical, sewage and water treatment, sanitary renovations, Fire Marshal/Health Department upgrades and kitchen renovations



## **Public Safety Services**

- **\$2 million funds salary adjustments for State Police to begin in January 1999.**

The plan bases salaries on years of experience and rank. Troopers currently receive 4% annual pay raises for up to 10 years and don't receive any additional increases until they are promoted. This plan calls for pay raises for up to 25 years and for a 4% pay raise each year for 15 years. Pay for entry level cadet positions will increase from \$20,664 to \$22,044. After one year of service, pay for troopers will increase from \$22,116 to \$25,800 under the plan. A State Police master trooper's maximum pay will increase from \$36,108 to \$46,296.

- **\$2 million is appropriated for Mobile Data Terminals.**

In FY 97/98 \$1.4 million was provided for the initial phase of this project which included installation of 80 terminals. For FY 98/99 an additional \$2 million will continue this initiative which will allow installation at 40 radio sites throughout the state. Mobile data terminals installed in law enforcement vehicles provide real time data information during emergencies and routine daily traffic responsibilities and allow redirection of field personnel on short notice. It has the ability to instantly send and receive data graphic displays and imaging from the LDPS Data processing computers and real time maps, pictures and other important documents. It also enables officers automatic address look-up with the dispatch link. Use of this system allows a shorter radio access time, thus allowing effective and more responsive use of communications equipment. Proposed overall benefits include a conversion from paper files to electronic files, and providing fast and easy access to information and in-vehicle retrieval.

- **\$3.5 million for background checks and suitability studies relative to the land-based casino in New Orleans is provided by the casino contractor.**

The casino operating contract between the state of Louisiana and Jazz Casino Company stipulates that the state shall be reimbursed for costs including: costs incurred in connection with initial suitability examination; work performed by its principal counsel; work related to the negotiation of terms and conditions of the contract; personnel and any contract staff appropriate to the suitability process; and work in connection with the suitability findings and negotiations necessary for drafting and execution of the contract and the opening of the casino. \$1.6 million will be transferred to the Office of State Police for 21 new positions and investigative services and \$1.2 million will be transferred to the Attorney General for 15 new positions and legal services related to the contract.

- **Capital Outlay funds the new Public Safety Administrative Complex and the relocation of a State Police Driver Training Facility and Anti-Terrorist Activities Program.**

The relocation, planning and construction of the Administrative Complex are funded with \$50 million in Revenue Bonds. \$2.4 million in Priority 2 and 5 is provided for the relocation, land acquisition, planning and construction of the State Police Driver Training Facility and Anti-Terrorist Activities Program.

---

## ECONOMIC DEVELOPMENT

---

- **\$17 million in State General Fund has been appropriated to DED for various local economic development projects or efforts.**

These include: \$9 million for the United States Navy's Information Technology Center at the University of New Orleans (UNO) Research and Technology Park (\$3.25 million is also to be allocated from the Economic Development Award Program); \$6.2 million for the UNO/Avondale Center for Excellence, also located at the UNO Research and Technology Park; \$500,000 for Metrovision; \$550,000 for economic development efforts in north Louisiana; and \$780,000 for economic development for the town of Coushatta (transferred to SGF from La. Economic Development Fund).

- **\$13.3 million has been authorized in the Capital Outlay Bill through DED for various local economic development projects.**

These include: \$6 million authorized for the Tournament Players Club Golf Course in Jefferson Parish; \$2 million for relocation of State Highway 308 in Lafourche Parish; \$2 million for development of the St. Bernard Port Facility; and \$1.3 million for improvements for the Madison Parish Port related to the Avondale project.

- **\$6.8 million in Statutory Dedications from the Economic Development Award Fund (transferred from the State General Fund) has been appropriated for the Economic Development Award Program (EDAP)**

Of this amount, all but \$825,000 has been allocated in the Appropriations Act to specific local economic development projects. This allocation includes: \$3.25 million for expansion of the United States Navy's Information Technology Center at the University of New Orleans' Research and Technology Park; \$2.3 million for a loan to the City of Colfax for construction or purchase of a warehouse distribution center; and \$425,000 for expenses associated with locating the YUBA manufacturing corporation in Livingston Parish. EDAP, which was funded at the \$9.9 million level in the prior fiscal year, provides grants to assist communities in the location and expansion of industry by providing infrastructure improvements required for such location or expansion.

- **\$6.5 million is allocated to the Workforce Development and Training Program out of \$8.5 million in Statutory Dedications appropriated to the Workforce Development and Training Fund.**

This program, which was funded at the same level in the prior fiscal year, provides customized training funds to businesses that either want to locate in Louisiana or to expand or modernize existing Louisiana facilities. The source of funding for the workforce fund is generated by dedication of a portion of vendors' compensation deductions, which was renewed by Act 50 of the 1998 First Extraordinary Session until July 1, 2001. That same Act also provided that \$2.15 million of the monies generated by a portion of the vendors' compensation deductions be deposited in a newly created Marketing Fund, primarily to be used for marketing education and DED's advertising, marketing and promotional activities. Any amount over the above dedicated \$8.65 million is to be allocated to the Louisiana Economic Development Fund administered by the Louisiana Economic Development Corporation (LEDC) for its capital accessibility program for small and medium-sized businesses.

- **\$11.9 million in Statutory Dedications has been appropriated to the Louisiana Economic Development Corporation (LEDC) for its financial accessibility program, while the fund balance of the Louisiana Economic Development Fund (LEDF) was reduced by \$8.3 million.**

LEDC, funded at the \$19.4 million level in the prior fiscal year, provides a wide variety of loan guarantee, loan participation, and risk capital investment programs for small businesses. The only continuing revenue sources for LEDF are: 1) approximately \$5 million annually from repayment of principal on loans, interest income, and fees to LEDC, and 2) any amount over \$8.65 million generated by the vendors' compensation deductions (per Act 50 of the 1998 First Extraordinary Session above).

---

## TOURISM AND CULTURAL DEVELOPMENT

---

- **\$2 million in State General Fund has been appropriated to establish the Louisiana Library Connection.**

This funding would be used to increase Internet and data base access in local libraries by using the existing state fiber-optic network and taking advantage of telecommunications discounts available to libraries.

- **An additional \$500,000 in State General Fund has been appropriated for state aid to public libraries, bringing total funding for state aid to \$1.5 million.**

These funds, which will be distributed by the Office of the State Library, are to be matched with local library funds and may be used for the purchase or processing of books, audiovisual materials, newspapers and periodicals or to extend Internet access by providing stations at multiple locations in each parish.

- **An additional \$925,000 in State General Fund has been appropriated for activities associated with the FrancoFete event to be held in 1999, bringing total funding for this purpose to almost \$1.4 million.**

FrancoFete is to be a year-long statewide cultural celebration and tourism effort to commemorate the tricentennial of the establishment of the first permanent colony by the French in the Louisiana territory. Of the total amount appropriated, \$250,000 is allocated for the Congres-Mondrial Acadien and \$123,400 has been allocated to Creole Inc., both for events and activities held in conjunction with FrancoFete.

- **\$500,000 in State General Fund has been appropriated to the State Museum for development and installation of a major long-term exhibition on the theme of Mardi Gras.**

This funding represents one-third of the total cost of this exhibition, which will be located at the Presbytere in New Orleans. Fund raising from private sources is under way and the Museum expects to raise about \$1 million locally out of the estimated total cost of \$1.5 million.

- **Almost \$221,000 in State General Fund is appropriated for the Natchitoches Parish Old Courthouse Museum, including funding for eight positions.**

This museum was placed under the jurisdiction of the Office of the State Museum by Act 147 of the 1998 First Extraordinary Session.

- **Almost \$2.7 million in State General Fund is appropriated to the Office of State Parks for enhancements at state parks and commemorative areas, including funding for 53 positions.**

These enhancements include funding to open three new state parks and two new state commemorative areas, as well as approximately \$1 million to establish a centralized, automated reservation system for state parks offering day-use or overnight facilities. Funding for individual state parks and commemorative areas includes: \$340,000 for additional cabins at Lake Claiborne and Cypremort Point State Parks, located respectively in Claiborne Parish and St. Mary Parish; \$500,000 for Tickfaw State Park in Livingston Parish; and \$400,000 for Plaquemine Locks State Commemorative Area in Iberville Parish.

- **\$300,000 in State General Fund has been appropriated for a grant program for small museums.**

The funding will provide matching funds for grants to small museums, to be awarded pursuant to rules establishing eligibility standards promulgated by DCRT. The Appropriations Bill further names a number of local museums which shall, at a minimum, be allowed to participate in this grant program.

- **An additional \$400,000 in State General Fund has been appropriated to the Division of the Arts in DCRT's Office of Cultural Development for arts grants.**

This increase brings total state funding for arts grants to approximately \$4.4 million. These grants are allocated by the State Arts Council and the Division of the Arts through three major programs: the Statewide Arts Grants Program, the Special Initiatives Program, and the Louisiana Decentralized Arts Funding Program, which distributes funds for arts activities to every parish on a per capita basis.

- **An additional \$900,000 in State General Fund has been appropriated for the Louisiana Endowment for the Humanities.**

This increase brings total state funding for the endowment to \$1.7 million. Activities of the endowment include its literacy, library reading, and teacher education programs as well as award of humanities grants to other nonprofit organizations, governmental bodies, and colleges and universities.

- **\$200,000 in State General Fund has been appropriated to the Office of Film and Video for establishment of a movie film studio.**

This funding was made contingent upon Jefferson Parish and the University of New Orleans each contributing \$125,000 for this purpose. It will be used for to upgrade the facilities previously owned by New Orleans Studios and to allow the studios to be operated by the UNO Department of Drama and Communication.

- **An increase of \$2.6 million in Self-Generated Revenues for the state's out-of-state tourism advertising contract will bring total funding for that contract to approximately \$8.6 million.**

A substantial commitment in capital outlay, totaling almost \$70 million, was made again this year to address the need for improvements and enhancements for parks, museums, and other tourism-related projects, including the following:

- **\$1.1 million for expansion, construction, and equipment for the State Library Building in Baton Rouge.**
- **\$3.6 million for a State Museum management and storage facility in New Orleans.** Funding is for the purchase, renovation, planning, and construction of such a facility, which will house the numerous items in the State Museum collection for which space is no longer available at other Museum properties.
- **\$61 million for various state parks and commemorative areas.** Funding is for acquisitions, planning, development, and construction and includes: \$8.9 million for Fountainebleau State Park in St. Tammany Parish; \$5.9 million for South Toledo Bend State Park in Sabine Parish; \$5.5 million for Caney Creek State Park in Jackson Parish; and \$4.9 million for Sam Houston Jones State Park in Calcasieu Parish.
- **\$2.6 million for the Office of Tourism's visitor welcome centers.** Of this amount, \$1.6 million is for renovation and expansion of welcome centers in the parishes of Caddo, Madison, St. Tammany, Tangipahoa, and West Feliciana and \$850,000 is for planning and construction of an I-49 Welcome Center in Rapides Parish.
- **\$1.4 million for planning, construction, renovations, and repairs at various Department of State facilities.** These facilities include the State Archives Building and the Old State Capitol in Baton Rouge, the Louisiana Cotton Museum in Lake Providence, and the Caddo-Pine Island Oil and Historical Museum in Oil City.

---

## AGRICULTURE AND FORESTRY

---

- **An additional \$8 million has been appropriated for implementation of a boll weevil eradication program, a multi-year effort to rid the state of the cotton boll weevil.**

The source of this funding was an increase in the State General Fund provided from the fund balance of the Louisiana Economic Development Fund. This appropriation was made subject to a number of conditions, including that: (1) the appropriation be used to fund the first installment of the state's share of a cooperative endeavor agreement entered into by Department of Agriculture and Forestry, the La. Agricultural Finance Authority (or other debt-issuing entity), and the Boll Weevil Eradication Commission; (2) the state share in the aggregate be limited to an amount approved by the Joint Legislative Committee on the Budget for the term of the agreement; and (3) prior to expenditure of these funds, the commissioner of agriculture submit a plan for boll weevil eradication to the Joint Legislative Committee on the Budget for its approval.

- **\$300,000 has been appropriated to study the needs of the sugar cane industry.**

The source of this funding was an increase in the State General Fund provided from the fund balance of the Louisiana Economic Development Fund. Funding is provided through the Louisiana Agriculture Finance Authority to the American Sugar Cane League as matching funds for a study to investigate the infrastructure, planning design, and construction needs of the Louisiana sugar cane industry. In addition, \$3 million is appropriated in the Capital Outlay bill for the Louisiana Agriculture Finance Authority for construction of a rail intermodal system to expedite hauling of sugar can by rail.

- **\$3.4 million in Self-Generated Revenues has been appropriated to the department for its recently created Forest Productivity Program, including funding for 12 positions.**

This program was authorized by Act 1377 of the 1997 Regular Session, which created the Forestry Productivity Fund and dedicated 75% of the state portion of the timber severance tax to that fund, effective July 1, 1998. Through this program, Department of Agriculture and Forestry will enter into cooperative endeavors to provide direct matching grants to landowners for implementing approved practices to increase timber production or to utilize the state's personnel, equipment, or materials to implement such practices if private sector services are unavailable.

- **\$800,000 in Statutory Dedications has been appropriated to the department for the inspection, regulation, and analysis of petroleum products, including funding for 17 positions.**

These functions were transferred from Department of Revenue to Department of Agriculture and Forestry by Act 38 of the First Extraordinary Session of 1998, effective July 1, 1998.

---

## OTHER GENERAL GOVERNMENT

---

### Executive Office

- **\$1 million is funded in the Office of Rural Development for off-system bridges.**

This program will be administered according to the basic guidelines of the rural development grant program. An amount of \$15,625 will be available for each parish and applications will be reviewed and awarded on a quarterly basis. Funds will only be used for repairs for bridges that are now closed or are slated for closing by DOTD. Local governments will be required to provide match dollars to qualify (no less than 10% but no more than 50%). Repairs in excess of 35% of the replacement value of the bridge will not be made without approval of the Executive Director of Rural Development and the recommendation of the Secretary of DOTD. DOTD has agreed to provide specification for repairs to local engineers and local governments and to inspect bridges after repairs and provide technical assistance.

### Division of Administration

- **\$3 million is appropriated for partial payment of legal fees for asbestos-related lawsuits.**

This appropriation from the Louisiana Asbestos Detection and Abatement Fund is for partial payment of past due legal fees and expenses, including fees incurred in evaluating, preparing, and pursuing litigation involved in asbestos-related lawsuits. A supplemental State General Fund appropriation was made to the Asbestos Fund for this purpose.

- **\$5 million is provided for computer costs related to Year 2000 compliance**

Over the past two years state agencies have begun to address the Year 2000 or Y2K, problem. Programmers must modify each program that uses dates to accept a new date value, adjust data files to hold additional information, and check that changes work properly. These changes may require extra data storage space or more computing capacity. For FY 98/99 several agencies have requested and received funding to address this problem. In addition, the Division of Administration anticipates additional funding needs. This pool of \$5 million has been established to address these needs.



- **The FY 98/99 Capital Outlay budget for the Division of Administration contains approximately \$117 million in funding for renovations and improvements to state office buildings statewide.**

This includes funding for major repairs and renovations, roofing, waterproofing and equipment replacement as well as the following projects:

**\$21.9 million** - for the Capital Complex acquisitions, demolition, sitework, construction and renovations.

**\$4 million** - for a feasibility study, planning and design for refurbishment to the Capital, Capitol Annex, and other facilities within the Capitol Complex.

**\$43.4 million** - for hazardous material abatement projects.

**\$ 9.2 million** - for DOTD Headquarters Building renovations.

**\$18.3 million** – for state office building repairs and roofing.

### **Office of Lifelong Learning**

- **\$1 million in funding is provided to the Workforce Commission to promote and influence redesign of the existing workforce training and education system.**

Funds will be used to leverage the reallocation of existing funds and to create new training programs or redesign existing programs that conform to the conditions and criteria established by the Commission for "flexible, responsive, customer focused and performance-based" training. Programs may provide training for both pre-employment skill development and the systematic upgrade of existing employees.

### **Louisiana Commission on Law Enforcement**

- **\$4.1 million in Federal Funds is appropriated for a new Juvenile Accountability Incentive Block Grant to provide services to address juvenile crime.**

Funds will be expended in the following areas: juvenile detention and corrections; hiring court staff and provision of pre-trial services; prosecutor hiring, programs to address gangs, drugs, youth violence and technology, equipment and training; court and probation programs to hold offenders accountable; court based program that target firearms through juvenile courts; drug court programs for juveniles; and implementation of programs of controlled substance testing for appropriate categories of juveniles within the juvenile system.

## **Office of Elderly Affairs**

- **\$640,000 will provide additional funding to the Parish Councils on Aging.**

Currently funded at 94% of the statutory formula, the appropriation will increase funding by \$10,000 for each parish.

- **\$262,000 provides funding for the Louisiana Long Term Care Ombudsman Program to fund full time ombudsman coordinators in given service areas.**

Coordinators are responsible for investigating and resolving complaints against facilities, monitoring and recommending changes in state law, and providing information to the public. This funding will allow consolidation of the program in 8 regions with at least 2 full-time staff in each region.

## **Election Expense**

- **An increase of \$7.7 million is appropriated for printing and other expenses associated with statewide congressional elections to be held this year.**

In the Department of State an additional \$1.4 million in State General Fund has been appropriated for printing expenses primarily associated with the statewide congressional elections to be held this fall. These expenses include preparation, printing, and mailing of voting machine ballots, absentee ballots, and other forms and printed materials supplied to precincts, registrars of voters, and clerks of court statewide.

In the Department of Elections and Registration, an additional \$6.3 million in State General Fund has been appropriated for various expenses associated with these statewide congressional elections. \$3.6 million of this amount is for the payroll of elections commissioners and state reimbursement of certain election expenses of clerks of court, boards of election supervisors, and registrars of voters. Other items included are: \$1.3 million for replacement of voting machine parts, primarily for mechanical voting machines; \$1 million in professional services for programming of voting machines before elections, assistance with service and repair calls during elections, and maintenance between elections; and \$380,000 for drayage of voting machines and precinct rentals.

## **Lieutenant Governor**

\$1.05 million, comprised of \$1 million in Federal Funds and \$50,000 in State General Fund, has been appropriated for a federal America Reads Challenge Grant.

This grant, awarded to the Louisiana Serve Commission as part of a national initiative to ensure that every child can read well and independently by the end of third grade, will provide for AmeriCorps members to tutor approximately 5,000 students in reading skills statewide. Funding for the grant is to be transferred by the lieutenant governor to the state Department of Education for its administration.

## **Natural Resources**

- **\$679,000 is provided for Oilfield Exploration and Production Waste Project.**

This project provides for additional testing, tracking, monitoring, and auditing of oilfield waste shipments into permitted commercial disposal facilities; includes 11 authorized positions.

- **Funding for the Bonne Carre Freshwater Diversion Project in the amount of \$18.8 million is included in the Capital Outlay Bill.**

This provides \$3.1 million in Priority 2, \$10 million in Priority 3 and \$5.7 million in Priority 5 General Obligation Bonds.

## **Environmental Quality**

- **An additional \$7.2 million in State General Fund has been appropriated to the Municipal Facilities Revolving Loan Fund for construction and rehabilitation of publicly owned wastewater treatment plants.**

This increase provides the remaining 20% state match required for Federal Funds from the Environmental Protection Agency, including a \$15 million allotment to be made available to the state in October 1998, for capitalization of these state water pollution control revolving funds.

- **An additional \$263,000 in State General Fund has been appropriated to the Drinking Water Revolving Loan Fund to provide loans for construction and rehabilitation of community and nonprofit water systems.**

This fund, established pursuant to 1996 amendments to the federal Safe Drinking Water Act and state legislation enacted during the 1997 Regular Session, is to be administered by DEQ's Municipal Facilities Revolving Loan Program. This increase in funding represents only a portion of the 20% state match required for receipt of Federal Funds for this purpose

- **Almost \$1.7 million in Statutory Dedications, including funding for 36 positions, has been appropriated to DEQ for establishment and implementation of Total Maximum Daily Loads (TMDLs) for water bodies in the state.**

The source of this funding is an increase in fees assessed by the Office of Water Resources, as authorized by Act 1254 of the 1997 Regular Session and imposed by rules promulgated by DEQ later that year. A TMDL is a tool for determining allowable pollutant loadings for a water body and providing for the establishment of water quality-base controls necessary for that water body to meet water quality standards.

- **An additional \$1.3 million in Statutory Dedications from the Hazardous Waste Site Cleanup Fund has been appropriated to fund the cleanup of inactive and abandoned hazardous waste sites in the state.**

This means of finance substitution of State General Fund is the result of Act 755 of the 1997 Regular Session, which will increase the amount of the proceeds of the state hazardous waste tax deposited to the Hazardous Waste Site Cleanup Fund, effective July 1, 1998. The Act further provides that when the fund balance in the cleanup fund exceeds \$6 million, the remainder will be deposited in the Environmental Trust Fund as another statutory dedication to DEQ.

- **\$200,000 in State General Fund has been appropriated for the Louisiana Litter Abatement Grant Program.**

This program provides funds for programs facilitating litter reduction, recycling, waste reduction, reuse, and other solid waste management programs. Act 694 of the 1997 Regular Session authorized this program for grants to local governments and nonprofit organizations, with a 25% match required.

## **Labor**

- **\$25.6 million, including \$1.9 million in State General Fund and \$23.7 in Federal Funds, has been appropriated to Department of Labor (DOL) for the Welfare to Work Program.**

These funds are to be used to move the hardest-to-serve welfare recipients toward employment. These recipients will include those who have been receiving welfare for 30 or more months or those having two or more characteristics associated with long-term welfare dependence such as lack of a high school diploma or GED or the need for substance abuse treatment prior to employment. The \$1.9 million in state funding represents a portion of the 50% match (\$11.8 million) required for the federal funds. The state will have three years to meet this match; DOL has proposed that half of that amount be met with State General Fund and that half be met with in-kind contributions by the state's service delivery areas.

- **An additional \$1 million in State General Fund has been appropriated to DOL for its Occupational Information System, including funding for 21 positions.**

This system, authorized by Act 1 of the 1997 Regular Session, is to provide both consumer information on job listings and training programs, as well as updated information on projected workforce and job growth and demand both statewide and by geographic region.

- **An additional \$1 million in Federal Funds has been appropriated to DOL for the Joint Training Partnership Act (JTPA) program which provides for training of economically disadvantaged individuals, including youths and older workers, and dislocated workers.**

This increase will bring total funding for these areas to \$69.8 million in the upcoming fiscal year. JTPA funds are distributed according to a federally mandated formula among the state's eighteen service delivery areas and various state agencies providing such job training services.

- **\$1 million in Federal Funds has been appropriated to DOL for the Able Bodied Adults Without Dependents (ABAWD) grant to provide intensive employment and training services for this population.**

### **Wildlife and Fisheries**

- **The Capital Outlay bill contains \$5.6 million for various renovation and levee refurbishment projects statewide.**

This includes \$4.2 million in Statutory Dedications and \$1.4 million in Priority 2 and Priority 5 General Obligation Bonds. Projects include Wildlife land acquisition (\$900,000), Rockefeller Refuge levee projects (\$1.5 million), Point au Chene levee construction (\$1.3 million), and Marsh Island marsh management projects (\$600,000).

### **Constables and Justices of the Peace**

- **\$240,000 is provided to increase supplemental pay for Constables and Justices of the Peace from \$50 to \$75 per month**

## **HOUSE FISCAL DIVISION**

**Fax: 504-342-2451**

<b>Jean Vandal, Director</b>	<b>504/342-6295</b>
<b>Lisa Barousse, Administrative Secretary</b>	<b>504/342-8568</b>
<b>John Carpenter, Senior Attorney</b>	<b>504/342-2441</b>
<b>William G. Black, Economist</b>	<b>504/342-8569</b>
<b>Gabrielle Kuhlow, Attorney assigned to Legislative Audit Advisory Council</b>	<b>504/342-8571</b>

## **APPROPRIATIONS COMMITTEE**

<b>Jay Lueckel, Senior Research Analyst</b>	<b>504/342-6292</b>
<b>Elise Bernadas, Research Analyst</b>	<b>504/342-1394</b>
<b>Janis Batchelor, Secretary</b>	<b>504/342-2444</b>

## **WAYS AND MEANS COMMITTEE**

<b>Deborah Davison, Senior Attorney</b>	<b>504/342-2440</b>
<b>Dirk Thibodeaux, Attorney</b>	<b>504/342-8623</b>
<b>Angel Gibby, Secretary</b>	<b>504/342-2442</b>

## **BUDGET ANALYSTS**

### **Education**

<b>George Silbernagel</b>	<b>504/342-5748</b>
<b>Joe Marin</b>	<b>504/342-2412</b>

### **General Government**

<b>Jodi Mauroner</b>	<b>504/342-8597</b>
<b>Dominique Duval-Diop</b>	<b>504/342-8596</b>
<b>William G. Black</b>	<b>504/342-8569</b>

### **Health and Social Services**

<b>William G. Black</b>	<b>504/342-8569</b>
<b>Dominique Duval-Diop</b>	<b>504/342-8596</b>
<b>David Shreve</b>	<b>504/342-0474</b>